

Annual Report 2022

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TO OUR SHAREHOLDERS

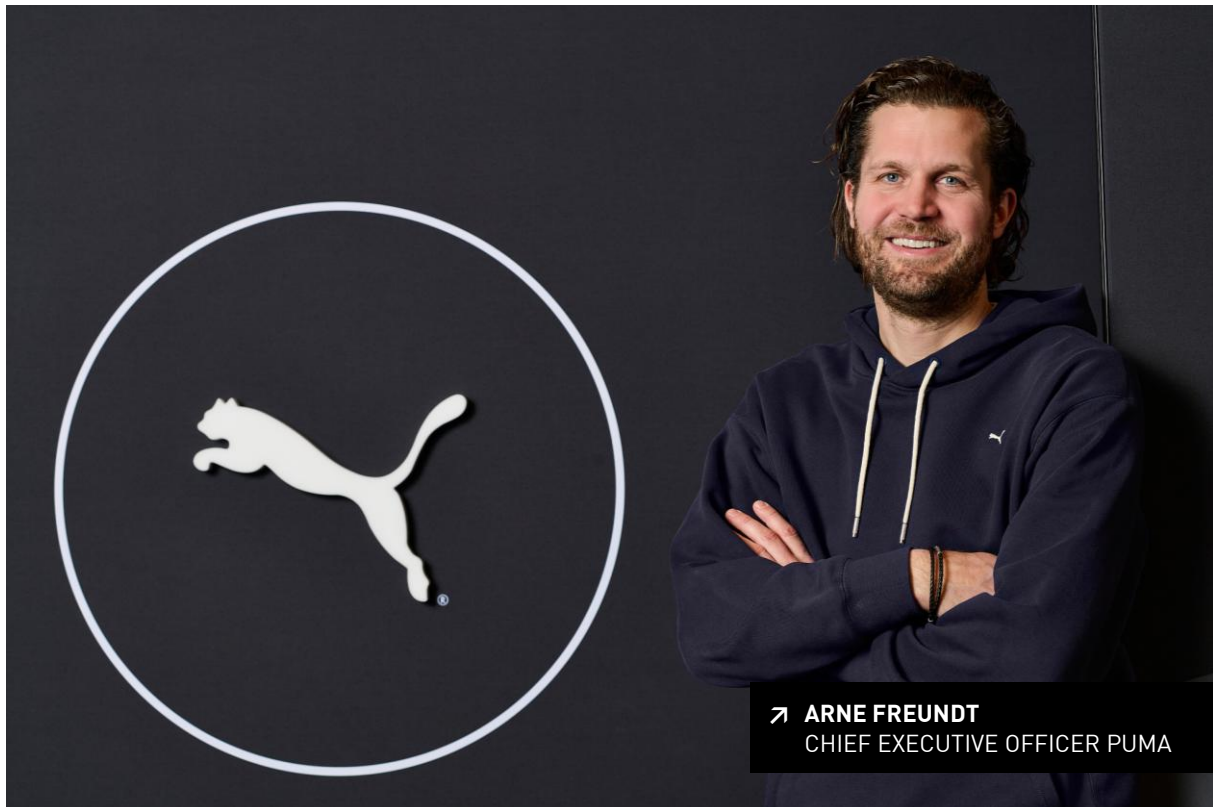
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ELAINE
THOMPSON-
HERAH





CEO-LETTER



➤ **ARNE FREUNDT**
CHIEF EXECUTIVE OFFICER PUMA

DEAR SHAREHOLDERS,

I am honored to write this letter to you for the first time as new CEO of PUMA. I have been part of the PUMA family for more than a decade, but last year has certainly been a very special one. I feel privileged that I am now leading this company with its fantastic people to take PUMA to the next level. Let me share with you the developments and successes of 2022 and give you a brief outlook on the exciting things to come.

2022 has been the **best year** in PUMA's history so far! We achieved record-breaking sales and earnings. Our revenue increased by 18.9% (ca) to € 8,465 million and our operating result (EBIT) increased by 15.0% to € 640.6 million. This success was driven by our continued brand momentum and successful product launches as well as continued trustful relationships with our athletes and partners around the globe. And even more by the dedication and hard work of our incredible PUMA family.

As 2022 has brought new challenges for all of us, the **PUMA Family** once again proved to stand by each other. Despite repeated lockdowns that particularly affected our Chinese colleagues, our people remained dedicated to keeping our production and business running smoothly. And when Russia started the war against Ukraine, we quickly set up a support program for our employees, athletes, and partners in Ukraine. Many employees have also taken initiatives themselves to support our colleagues. This makes me proud. Against this backdrop of crises, I am all the more grateful that we have managed to achieve a seamless transition in our organization and to build on the successes of the past years. On behalf of the entire Board, I would like to thank the PUMA family for this very smooth transition and for all working together every day to ensure PUMA's continued success.

Besides our strong team a huge part of the achievements was down to our **partners**. We continued to focus and to further deepen our partnerships along the whole value chain. Our objective is to build mutual



beneficial relationships which create value and innovations and make us more resilient. Under my leadership, PUMA will continue to be the best partner for our retailers, suppliers, and athletes.

At PUMA, we also aspire not only to be the best partner, but also to make our contribution towards a more **sustainable** world. It is important that we continue to make steady progress towards our 10 for 25 sustainability targets. Last year, we made 70% of our products from more sustainable materials. We also achieved important milestones in sourcing and manufacturing. I am particularly proud that PUMA has been able to reduce its emissions despite its strong growth in recent years. For our progress, we have received a lot of awards last year such as Business of Fashion naming us the most sustainable brand. For us this is a great recognition and motivation to continue the journey we have embarked on.

Our **brand** has continued to gain momentum, thanks to our commitment to quality, innovation, and the right collaborations with leading athletes and fashion icons. We have witnessed a steady increase in customer loyalty and engagement, which is a testament to the strength of our brand and the quality of our products.

We are proud to sponsor some of the world's leading football clubs like Manchester City and AC Milan, both of whom have had exceptional seasons. Our partnership with these teams has strengthened our brand presence in the world of football and enables us to expand loyalty and affinity with the fans. We were also thrilled to see Morocco become the first African team to reach the semi-finals of the football World Cup. As a brand that values diversity and inclusivity, we were honored to have played a part in this historic moment and look forward to supporting African football in the years to come. At the World Athletics Championships in Eugene, Oregon, USA, our **athletes** won numerous gold medals and set new records true to our brand mantra FOREVER.FASTER.

Besides the sports arenas, we made a successful comeback at the New York Fashion Show. FUTUROGRADE showcased a selection of looks - from both current and future seasons, as well as custom pieces - which were curated by PUMA Designer and Creative Director, June Ambrose. We have received great feedback from customers and influencers alike and are confident that our footprint in **fashion** will continue to grow and evolve.

PUMA always aims to team-up with the world's fastest athletes and most exciting cultural icons of our times to create the best and most innovative products for our athletes and customers. That is why we have also welcomed several key new PUMA **ambassadors**, including world-renowned athletes like Elaine Thompson-Herah, Nalyssa Smith, Emmanuel Korir, Mutaz Essa Barshim, and cultural icons like Skepta and Dixie D'Amelio. These individuals embody our brand values and vision and will inspire every athlete to achieve their goals and live their best lives. We are also proud that Sara Björk made a successful comeback to elite level football following her pregnancy while we closely accompanied her along the way.

For 75 years, PUMA has relentlessly advanced sport by creating the best **products** for the world's fastest athletes. In 2022, we continued to significantly improve our product offering across all business units. Our performance footwear was successful both in terms of innovation and consumer satisfaction, with the award-winning VELOCITY and DEVIATE featuring PUMA's NITRO technology. In addition to running, we saw very strong momentum in football and basketball, also driven by our great innovations, our continued high-profile collaborations and the athletic success of our brand ambassadors in last year's tournaments.

In terms of distribution and in line with our partnership strategy, we continued to focus on wholesale first. Wholesale plays a pivotal role in our strategy - not only due to their distribution reach, but also due to their retail and service excellence. I also believe that it is crucial for our consumers to have the best product offering of each brand next to each other in our wholesale partner stores. This allows our consumers to take the best purchasing decision in terms of technology, quality, design and value. I am convinced that PUMA products can compete with any competitor's product on the shelves.

Our owned and operated brick and mortar as well as eCommerce stores are complementing our distribution mix, but we don't have any ambition to replace wholesale partners with our Direct-to-



Consumer channels. In our Direct-to-Consumer channels, we will continue to focus on storytelling to educate our consumers about the strengths and width of our brand and our products.

To achieve this objective, we optimized our retail network with new store locations and flagship stores in key markets. We also launched new web shops, extending our online reach to consumers in more than 50 countries. As part of our ongoing commitment to improve the customer experience, we launched a new shopping app for our most loyal customers in selected markets, with plans to roll it out to more markets in the coming months.

Our commitment to digitalization is not limited to our channels. As part of our ongoing efforts to modernize our infrastructure, we made significant investments in digitalizing our entire business and modernizing our offices to make our internal processes even more efficient.

2022 was a successful year. We achieved the ambitious goals we set for ourselves. But we are not leaning back and continue to be hungry to gain more market share. With the market headwinds and uncertainties in the industry, 2023 will for sure be a transition year. We continued our growth trajectory in the first quarter and recorded double-digit sales growth. For the upcoming quarters, we expect a tougher trading environment and thus a softer growth trajectory. This is fully in line with our initial guidance, and we can confirm our outlook for 2023, expecting a currency-adjusted sales growth in the high single-digit percentage range and operating result (EBIT) in a range of € 590 million to € 670 million (2022: € 641 million).

For 2023 and onwards, we will continue to focus on implementing our successful strategy and put further emphasis on three strategic priorities: elevate our brand, win in the U.S., and return to growth in China.

I would like to thank all our employees for their continued hard work and dedication to the brand and our shareholders and stakeholders for supporting us on our journey.

Together with the entire PUMA family and all our stakeholders, I look forward to continuing our exciting way ahead and achieving even greater success in the future.

Arne Freundt
Chief Executive Officer, PUMA



REPORT BY THE SUPERVISORY BOARD



➤ **H  LO  SE TEMPLE-BOYER**
CHAIR OF THE
SUPERVISORY BOARD

DEAR SHAREHOLDERS,

In 2022, PUMA was once again confronted with numerous challenges: Russia's war against Ukraine, which has been raging for about a year now, led first and foremost to human tragedies that we have opposed with all our strength and will continue to oppose. We have always acted according to our credo "people first" and supported many colleagues in leaving affected Ukrainian areas and making a new start in other countries. Within Ukraine, we have also supported our colleagues, athletes and business partners in a variety of ways with safe shelters, aid supplies and donations. The war in Ukraine also increased geopolitical tensions and contributed to socioeconomic challenges such as high energy prices, soaring inflation, slowing economic growth, and declining consumer confidence. The COVID-19 pandemic also continued to cause major constraints for our local colleagues as well as our operations, particularly in China.

Thanks to the consistent and determined actions of our Management Board and the continued outstanding performance of our employees, PUMA was able to build on its strengths so successfully in 2022. Thanks to our brand and growth dynamics as well as operational flexibility, we were able to gain further market share in a challenging competitive environment and further increase our brand heat. As a result, we were once again able to achieve the best annual results in PUMA's history in terms of both sales and profits. In doing so, we were always the best partner for our athletes, retailers and suppliers. We have continued to work as closely and as cooperatively as possible with them to keep our supply chains stable and to increase sales of our products. We continued to vigorously implement our "people first" approach in light of the COVID-19 pandemic, maintaining hygiene and occupational health and safety policies above and beyond legal requirements and conducting vaccination campaigns throughout.

We also successfully completed the generation change on the Management Board with the appointment of Arne Freundt as Chair of the Management Board. Arne Freundt has already served PUMA for over eleven years in many key strategic and commercial leadership roles and has been promoted by the Supervisory Board as the designated successor at the top of the company in recent years. With the appointment of Maria Valdes as Chief Product Officer, we were also able to add yet another strong leader to the Management Board who has been successfully working at PUMA for many years. We would also like to take this opportunity to thank Bj  rn Gulden once again for his excellent achievements in the service of PUMA. We are



convinced that PUMA is ideally positioned to successfully master future challenges and to maintain and further increase its current momentum: The foundations for a successful 2023 have been laid.

In the financial year 2022, the Supervisory Board has exercised all its duties under the law, statutes and company rules. The Supervisory Board has dealt extensively with the status and the development of PUMA, with a special focus on the war in Ukraine and the COVID-19 pandemic, and has regularly advised and supervised the Management Board in its management of the Company.

In this regard, the Supervisory Board has in its four regular meetings discussed and resolved on the Company's business policies, all relevant aspects of corporate development and corporate planning, the Company's economic situation, including its net assets, financial position and results of operations, the adequacy of capital resources and all key decisions for the Group. The Management Board has informed the Supervisory Board regularly, comprehensively, and in a timely manner in written and verbal form about the implementation of all decisions and about all major business transactions. Furthermore, in 2022 two extraordinary meetings of the Supervisory Board took place. Several matters were decided via circular resolutions using electronic means of communication. All members participated in drawing up the resolutions (except for the resolutions adopted at one of the two extraordinary meetings). Whenever necessary, representatives of the shareholders and employees held separate preliminary discussions prior to the meetings.

Plenary Supervisory Board	Attendance at meetings (referring to regular and extraordinary meetings)	Attendance in %
Héloïse Temple-Boyer	6/6	100
Thore Ohlsson	6/6	100
Jean-François Palus	5/6	83
Fiona May	6/6	100
Martin Köppel	6/6	100
Bernd Illig	6/6	100

The Supervisory Board discussed in detail all of the Company's key business transactions, based on the reports by the Management Board and the Committees, and presented its own ideas. The Management Board has provided the Supervisory Board with detailed information on any deviations of the business performance from the budgeted figures, both in writing and orally. The Supervisory Board verified these explanations using the supporting documents, which were always submitted in appropriate time before the meetings. The Supervisory Board was involved in all key decisions at an early stage. In addition, the Chair of the Supervisory Board maintained, and continues to maintain, regular verbal or written contact with the CEO and keeps himself informed of all major developments. Overall, these discussions did not give any indication that the Management Board was managing the Group in anything other than a lawful and proper manner.

The Supervisory Board members took part, on their own initiative, in the educational and training measures necessary for the performance of their duties. The Company supports the Supervisory Board members in their training activities, for example by having the Legal Department regularly prepare changes in the legal framework for the Supervisory Board and report about them in the meetings. In 2022, the Supervisory Board received an update on the rights and duties of supervisory board members, a training on PUMA's financial KPIs, and finally a training on the regulatory requirements for the Supervisory Board in the area of ESG. The focus here was emphasized on the sustainability-related amendments to the German Corporate Governance Code, the Act on Corporate Due Diligence in Supply Chains (Supply Chain Due Diligence Act) and the European Draft Directive on Corporate Sustainability Due Diligence.



MAIN ADVISORY FOCUS

In the 2022 financial year, the main focus was on the following issues: Continuous assessment of the impact and handling of the war in Ukraine, review and approval of the 2021 consolidated and annual financial statements and the 2021 non-financial report, dividend proposal, ongoing handling of the COVID 19 pandemic, setting the agenda for the Annual General Meeting on May 11, 2022, approval of the Management Board's decisions to hold the Annual General Meeting as a virtual Annual General Meeting without the physical presence of shareholders or their proxies, preparation and implementation of the personnel change on the Supervisory Board (election of Héloïse Temple-Boyer as the new Chair of the Supervisory Board), preparation and realization of personnel adjustments on the Management Board (in particular appointment of Arne Freundt as Chair of the Management Board (CEO) and of Maria Valdes as member of the Management Board (Chief Product Officer (CPO)) from January 1, 2023), evaluation of the self-assessment of the Supervisory Board, implementation of necessary adjustments under the German Corporate Governance Code, current business and revenue development, markets and trends, financial position of the Group, corporate and budget planning 2023 as well as medium-term planning, including investments, further improvement of the compliance management and internal control system as well as material litigation in the Group.

As every year, the Personnel Committee and the Supervisory Board determined the degree of achievement of the targets for the individual Management Board members with regard to 2021. The Supervisory Board decided on the individual targets for the variable Management Board remuneration for the 2022 financial year upon recommendation of the Personnel Committee.

CONFLICTS OF INTEREST

The members of the Supervisory Board are required to disclose to its Chair any conflicts of interest without undue delay. In the past year, no such disclosures were made.

COMMITTEES

The Supervisory Board has established four committees to perform its duties: The Personnel Committee, the Audit Committee, the Nominating Committee and the Sustainability Committee. The Personnel Committee, the Audit Committee and the Sustainability Committee each comprise two shareholder representatives and one employee representative. The Nominating Committee is composed only of shareholder representatives. The composition of the committees can be found in the notes to the consolidated financial statements. The Supervisory Board receives regular reports on their work.

PERSONNEL COMMITTEE

The Personnel Committee has the task of preparing the conclusion and amendment of employment contracts with the members of the Management Board and establishing policies for human resources and personnel development. It met to one regular meeting in 2022, decided on the target achievement for the individual Management Board members and set the targets for 2022. In addition, the approval of the LTI programs 2022 were the focus of the discussions. Corresponding recommendations for resolutions were made to the Supervisory Board.

Personnel Committee	Attendance at meetings	Attendance in %
Jean-François Palus*	1/1	100
Fiona May	1/1	100
Martin Köppel	1/1	100

* On May 11, 2022, and thus after the meeting of the Personnel Committee, Héloïse Temple-Boyer replaced Jean-François Palus as Chair of the Personnel Committee.



AUDIT COMMITTEE

The Audit Committee held four regular meetings in the financial year 2022. In particular, the Audit Committee is responsible for the review of the accounting, particularly comprising the consolidated financial statements and the group management report, group half year report, interim financial information and the single entity financial statements in accordance with the German Commercial Code (HGB). It is furthermore responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, compliance and the statutory audit of the financial statements, with particular regard to the process of selecting an auditor. The Audit Committee is also responsible for conducting the selection process of the auditor. In addition, the Audit Committee monitors the independence of the auditor and ensures that the non-audit services of the auditor commissioned by the Management Board do not give rise to any grounds for disqualification or partiality or any threat to independence. The Audit Committee issues the audit mandate on behalf of the Supervisory Board to the auditor elected by the general meeting, determines the audit areas of the audit, monitors the quality of the audit and the services additionally provided by the auditor and agrees the fee with the auditor. Heads of the corporate functions were also available for reports and questions on individual agenda items at the committee meetings. The Audit Committee meets regularly with the auditor, also without the Management Board.

Audit Committee	Attendance at meetings (referring to regular and extraordinary meetings)	Attendance in %
Thore Ohlsson	4/4	100
Héloïse Temple-Boyer	4/4	100
Bernd Illig	4/4	100

NOMINATING COMMITTEE

The Nominating Committee has the task of proposing suitable candidates to the Supervisory Board for its election proposals to the Annual General Meeting. It held no meeting in the last financial year.

SUSTAINABILITY COMMITTEE

The Sustainability Committee met once in the 2022 financial year to discuss the company's sustainability strategies. The focus was emphasized on the evaluation of the "Conference of the People," sustainability-related projects within the company and relevant, upcoming legislative projects. The Sustainability Committee consists of three members.

Sustainability Committee	Attendance at meetings (referring to regular and extraordinary meetings)	Attendance in %
Fiona May	1/1	100
Héloïse Temple-Boyer	1/1	100
Martin Köppel	1/1	100

CORPORATE GOVERNANCE

As in previous years, the Supervisory Board addressed current developments in the financial year 2022 regarding the German Corporate Governance Code in the version dated December 16, 2019 (effective as of March 20, 2020) and April 28, 2022 (effective as of 27 June 2022). (GCGC). The GCGC contains essential



statutory regulations and recommendations for the management and supervision of listed companies and standards for responsible corporate governance. The corporate governance standards have long been a part of the corporate routine.

Pursuant to Principle 23 of the GCGC, the Supervisory Board reports on corporate governance in the Corporate Governance Statement. The Company satisfies all requirements of the GCGC, to the extent required by it, with only one exception. The exception is explained in the Statement of Compliance with the GCGC of November 9, 2022. The exception ceases to apply from January 1, 2023. As of this date, the Company again satisfies all requirements of the GCGC, to the extent required by it. The Statement of Compliance of November 9, 2022 as well as the corresponding update dated January 1, 2023 are available to our shareholders at any time on the Company's website under <https://about.PUMA.com/en/investor-relations/corporate-governance> at STATEMENT OF COMPLIANCE.

ANNUAL FINANCIAL STATEMENTS ADOPTED

The annual financial statements for PUMA SE prepared by the Management Board in accordance with the German Commercial Code (Handelsgesetzbuch/HGB), the consolidated financial statements and the combined management report for PUMA SE and the PUMA Group, each for the financial year 2022, prepared in accordance with Section 315a HGB on the basis of the International Financial Reporting Standards (IFRS) have been audited by the statutory auditors, KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, who were appointed at the Annual General Meeting on May 11, 2022 and commissioned by the Supervisory Board to audit the annual financial statements and the consolidated financial statements and have been given an unqualified auditor's opinion.

In their report, the statutory auditors conclude that PUMA's institutionalized risk management system, in accordance with Section 91(2) of the German Stock Corporation Act (Aktiengesetz/AktG), is capable of detecting at an early stage and countering any developments that might jeopardize the continuity of the Company as a going concern. The Supervisory Board has been updated by the Management Board regularly on all relevant risks in this regard, in particular its assessments of market and procurement risks, financial risks (including currency risks as well as risks due to the war in Ukraine and the COVID-19 pandemic) and organizational risks.

The accounting records, the audit reports from the statutory auditors and the Management Board's and Supervisory Board's recommendation on the appropriation of net profit were made available to all members of the Supervisory Board in a timely manner. At the meeting of the Audit Committee on February 28, 2023 and at the subsequent Supervisory Board meeting held on the same day, the statutory auditors reported on the key results of their audit and discussed them in detail with the Management Board and the members of the Supervisory Board. No discrepancies were detected.

The Supervisory Board reviewed in detail the annual financial statements, the combined management report for PUMA SE and the PUMA Group, the Management Board's and the Supervisory Board's recommendation on the appropriation of net profit and the consolidated financial statements and raised no objections. In accordance with the recommendation of the Audit Committee, the Supervisory Board agreed with the results of the audit of both statements and approved the annual financial statements of PUMA SE and the consolidated financial statements for the financial year 2022. The 2022 annual financial statements have thus been adopted.

The Management Board and the Supervisory Board resolved to propose to the Annual General Meeting a distribution of a dividend of € 0.82 per dividend entitled share to the shareholders for the financial year 2022. In this context, the liquidity situation of the Company, the financing and the effects on the capital market were discussed. The payout is in line with PUMA's dividend policy of distributing 25-35% of the PUMA Group's net income for the year. A total amount of around € 122.8 million will be paid out in dividends from PUMA SE's retained earnings. The remaining retained earnings of around € 376.6 million will be carried forward.



In its meeting on February 28, 2023, the Supervisory Board was presented the state of data collection for the non-financial report in accordance with §§ 315c in conjunction with §§ 289c to 289e of the German Commercial Code (HGB). As soon as the non-financial report is finalized, it will be submitted to the Supervisory Board for approval and will be published on the website of the Company by April 30, 2023.

THANKS

We would like to express our gratitude and recognition to the Management Board, the management teams at the Group companies, the Works Council and all our employees for their hard work and their outstanding cooperation in 2022.

Herzogenaurach, February 28, 2023

On behalf of the Supervisory Board

Héloïse Temple-Boyer
Chair



OUR PEOPLE

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OUR PEOPLE

2022 was dominated by geopolitical tensions in Europe and the far-reaching social and economic consequences. After years of the COVID-19 pandemic, the worldwide economy gradually recovered and has increased the demand for highly qualified specialists and managers. Consequently, many employees have been looking for job opportunities and therefore the global staff turnover has increased following an overall global trend which is called the “great resignation”. To ensure our competitiveness in this environment and promote growth, it is essential that we continue to have competent and committed employees who we can retain for the long term. Our focus therefore remained particularly on talent acquisition, development and retention. This also included our continued efforts to increase our global employer attractiveness and to promote our unique work environment, corporate culture and diversity. In this way, we will become even more resilient to unpredictable external influences. As part of our strategic work force planning, we continued to hire foreign talents to work against demographic developments in local labor markets and to promote further diversity.

One important task, especially in the first half of 2022, was to overcome the challenges associated with the war in Ukraine. We helped our employees and their families by providing them shelter in a rented sanatorium. From the first minute we supported Ukrainian charities with PUMA products, groceries and cash donations both from PUMA and their employees. PUMA employees from Germany drove several times to Ukraine delivering urgently needed goods. On their way back they took PUMA employees, relatives, friends and PUMA athletes with them to Germany and Poland. A total of 128 people from Ukraine have been safely accommodated in Germany and 15 in Poland. We provided free accommodation in 2022 and helped the people to go through the registration process. Further we integrated them by offering jobs at PUMA and making sure their kids are integrated in local childcare facilities and schools. Towards the end of the year, we supported the group in finding permanent employment and own accommodation. After the suspension of our business in Russia, we took care of our employees in Russia by securing their full pay.

COMPENSATION & BENEFITS

The attractive performance-based compensation system at PUMA includes a fixed base salary, the PUMA bonus system, profit-sharing programs and various social benefits and intangible benefits. We also offer long-term incentive programs for the senior management level that honors the sustainable development and performance of the business. The bonus system is transparent and globally standardized. Incentives are exclusively linked to company goals.

Ensuring fair and non-discriminatory compensation at PUMA is one of our strategic priorities. Our compensation framework is based on analytical job evaluations and a global grading system. Since the criteria to be evaluated relate exclusively to characteristics of the job – not to the job holder – the remuneration system as such is gender-neutral. This enables us to rule out any gender-specific discrimination emanating from the compensation system.

In addition, we have continued our cooperation with the Fair Wage Network and are able to access benchmarks for all our subsidiaries and analyze them in terms of living wages as defined by the Fair Wage Network. For the year 2022 we can confirm, with regards to the Living Wage Adjusted Mean benchmark as defined by the Fair Wage Network, that all our employees are earning a living wage or more.

Furthermore, we have conducted a Gender Pay Gap Analysis for all German employees in collaboration with the hkp/// group in 2022.

With the same parameters such as partial retirement, length of service, recruitment, children, part-time, performance appraisal, job family group, management responsibility, nationality and grade, women at PUMA in Germany receive the same direct remuneration level as men. Therefore, we collaborated with the FPI Fair Pay Innovation Lab and became certified as a Universal Fair Pay Analyst. After adjusting the



methodology and excluding potentially discriminatory factors such as part-time work and children, the analysis still showed a slight pay gap, which we aim to close by next year. The regression analysis also showed that nationality does not have a significant impact on the wage gap. We will conduct further analyses of the gender pay gap in our subsidiaries in 2023.

DIGITALIZATION

In order to make our business processes even simpler and faster worldwide, we are once again placing a high focus on further digitization. Since 2017, we have been using the "Workday" software solution for many of our HR processes. This gives employees and managers access to all the processes and tools they need for day-to-day HR management tasks. In addition, user-friendly dashboards provide the information and data-driven insights that managers need for planning and steering. Analysis of our centralized global data provides a sound basis for decision-making and measurable results. In 2022, we placed particular emphasis on further analyzing data as part of People Analytics and incorporating the results into our strategic decisions. This helps us provide evidence-based answers to specific questions and make forecasts.

COMMUNITY ENGAGEMENT

2022 was a very successful year for community engagement at PUMA. With the support of our employees, we increased the engagement with local communities through a variety of different projects all around the world.

Here are a few examples:

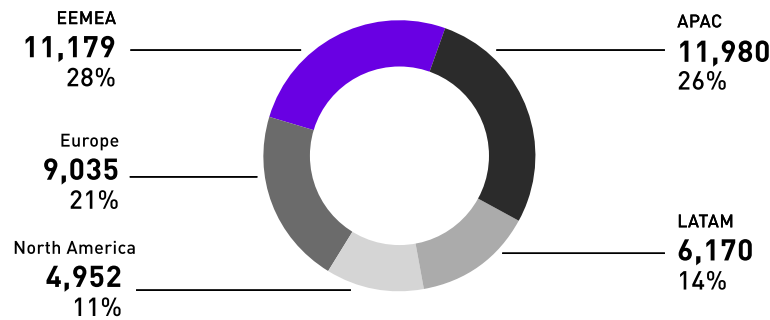
In August, PUMA North America hosted its annual Field Day Frenzy in conjunction with the Boys and Girls Club of Dorchester. Field Day Frenzy was a day full of community, culture and fun. Over 400 PUMA employees volunteered their time and spent the day with members of the Dorchester Boys and Girls Club. Everyone participated in outdoor activities such as basketball, kickball and football, as well as games and crafts. Activities focused on being active and creative. This volunteering opportunity brought together community and our PUMA employees which created an unforgettable day.

PUMA Taiwan teamed up with a local farmers' association and helped with the harvest with their own hands. We not only helped the elderly farmers, but also donated the harvested rice to low-income families affected by the earthquake. The big PUMA cat jumping into the green rice field shows the world the spirit of PUMA and our team's love and commitment to the local community.

We have set ourselves the ambitious goal of spending at least twice as many hours on social engagement as our average full-time equivalents (FTE) this year. We encouraged all of our employees around the world to participate and recorded projects and employee engagement on an online platform. In total, initiatives led by our subsidiaries on 5 continents contributed a total of 43,316 hours (3.874 for PUMA SE) of community engagement. With the projects, we helped protect the environment, promote health and fitness, fight discrimination or support education for children in need. Often these projects were carried out in cooperation with local non-profit organizations. Considering that the number of full-time employees (FTEs) in 2022 was 18,071 (1,168 for PUMA SE), we significantly exceeded our target.



➤ 6.01 COMMUNITY ENGAGEMENT 2022



CHARITY CAT

Our charity organization Charity Cat e.V., founded by PUMA employees in 2004, supported the people in Ukraine with various fundraising campaigns and projects in 2022. In total, more than 70,000 euros were collected. A part of these donations was used to support a project of the Civil Crisis Staff Network in Ukraine. Charity Cat was also able to use these donations to partially finance food transports to Ukraine and to provide clothing and shoes to refugees from Ukraine.

Charity Cat also supported projects in other countries. For example, Charity Cat has been working for many years with the association FONMEH e.V. in Haiti, which supports children in an orphanage in Les Cayes. Charity Cat's financial support ensures that the children continue to be cared for even in the current very difficult situation in Haiti. Together with PUMA's logistics partner Maersk, a container with building materials, sportswear, bicycles and musical instruments was safely delivered to Haiti.



Photo: Thanks to generous donations from PUMA and individual supporters, Charity Cat has been able to continue supporting those in need around the world, both financially and in kind, here for example girls in an orphanage run by FONMEH e.V. in Haiti.



It was also possible to continue the long-standing financial support for a project of the association "from heart to heart" in 2022. This organization helps needy families and children in remote areas of Samar Island in the Philippines by providing them shelter or schooling.

Other organizations with which Charity Cat cooperates include the Berlin-based association Straßenkinder e.V., which, among other things, offers a place to go for children and young people living on the streets or at risk of ending up there with its children's home "Bolle" in Berlin. Currently, this association is also in charge of a partner project in Znamianka in the Ukraine. Charity Cat also cooperates with Himalaya Friends e.V. This association helps disadvantaged children and protects them from human trafficking. Last year, for example, a community room in Kathmandu was renovated with the help of donations.

Further information on the projects and initiatives can be found at www.charity-cat.de.



CULTURE

The work culture at PUMA is unique and driven by our employees. Especially during difficult times and uncertainty, our culture helps us to make fast decisions, be agile and have the resilience and trust in one another to find new solutions and ways of working. A key factor is the diversity of our teams and the constant effort to communicate transparently and quickly with all our employees.

DIVERSITY, EQUALITY & INCLUSION

At PUMA, equality and non-discrimination are a key part of our corporate culture. We want to encourage and support people of all genders and we are convinced – diversity drives success. Our employees have many different nationalities and backgrounds, and we recognize that this is one of our key strengths. Worldwide we employ people from 142 countries, which represents 2/3 of nationalities. At our homebase in Germany we have people with more than 81 different passports. At the core of our PUMA family value sits BE YOU, a key component in establishing a respectful and supportive workplace where every employee can be their true selves. By listening to our PUMA family, we aim to break down systemic barriers and identify areas of improvement by fostering a culture that encourages collaboration and fairness.

In 2022 we further evaluated our diversity policies and introduced new training courses for our staff to help them recognize and deal with discrimination and injustice, intercultural communication, diversity, inclusion and belonging. To raise further awareness for these issues, we also held talks with internal and external speakers and posted articles on our internal communication platforms.

Celebrate diversity!

We provide a fair work environment and equal opportunities for all our employees, regardless of their gender, nationality, ethnicity, religion, disability, age or sexual orientation. These commitments are also a part of our PUMA Code of Ethics (2005) and the Diversity Charter we signed in 2010.

We highlighted our commitment to diversity and inclusion during Pride Month in June, for example, with our “Together Forever” summer party at the headquarters with food trucks, live band and a DJ-set. Our partners from Christopher-Street-Day Nürnberg e.V. had their own info booth on LGBTQ+ events in the region. We also flagged our Headquarters with rainbow flags and lighted the building in rainbow colors.

Another celebration took place with our Pride collection “Together Forever”. For this we teamed up with our LGBTQ+ advocate and model Cara Delevingne and queer artist Carra Sykes and created a capsule that encourages its wearers to speak up, celebrate their strength and grow together. We donated 20% of the collection proceeds to benefit GLAAD, an organization helping to ensure fair, accurate and inclusive representations of the LGBTQ+ community in media and entertainment.

PUMA’s Director, Diversity, Equity & Inclusion in the U.S. together with the local PUMA BBOLD Employee Resource Group (ERG), realized many important projects. The main goal of the group is to make sure that the office, PUMA products, and the workforce within the organization are equitable. The other focus is to make sure PUMA North America is accessible to people they are looking after – the black and brown community. The group launched “We Are Legends” in 2022. This storytelling and product development platform celebrates Black excellence and cultural impact with the aim to empower people to speak up in their most authentic voices. The first collection under the platform, “The Yard”, is championed by a collective of talented black PUMA designers to increase representation within the industry. PUMA also hosted and invited members of Boston organizations to our first Diversity Partners Career Fair.



We also implemented successful D&I projects and courses at our U.S. headquarters outside Boston in the city of Somerville, Massachusetts. Flourish, for instance, is a project between the BBOLD ERG and PUMA's ERG Moms Squad honoring women and Hispanic Heritage Month (or Latin) which goes from September 15th through October 15th. Flourish hosted a Yoga session with our Moms Squad (ERG for working moms), led by women that identify as Hispanic/LatinX.

Employee engagement

We carry our values to the outside world and support a wide range of NGOs and organizations worldwide. Here are a few examples of events that promoted diversity and inclusion:

- For the third year in a row, PUMA partnered with The Christopher-Street-Day Nürnberg e.V. to celebrate PRIDE month in the Nuremberg metropole area, support the local PRIDE parade and to raise awareness. PUMA also participated in the Come Together Cup in Nuremberg in June – an event organized by Christopher-Street-Day Nürnberg e.V. and the Fliederlich e.V. This soccer tournament stood for cosmopolitanism, equality and diversity. Respectful interaction between all participants is one of the most important principles. Our very own PUMA team called "Forever Faster" participated. All proceeds of this charity event were donated to the two associations.
- Our PUMA Iberia employees took part in an inclusive basketball game with LGBTQ+ sports club "Panteres Grogues". After a detailed explanation of the mission and values by the President of the club, Joan Miró, PUMA employees played a 5x5 basketball game with the help of Panteres Grogues players.
- For Asian Americans and Pacific Islanders (AAPI) Heritage Month, the North America team organized an incredible celebration event at our PUMA NY Flagship store. Curator of our PUMA event was American fashion and graphic designer Jeff Staple. In an open discourse, our panelists Julie Won, Vicky Lee, Bernie Gross and Wilson Tang discussed what's on the minds of the community. PUMA also donated money to "Welcome to Chinatown", a nonprofit organization that amplifies and addresses the culture and community of Chinatown.
- Award-winning Brazilian photographer Angélica Dass puts identity and equality at the heart of her work. PUMA had the great honor to get her on board for the 2022 beanie campaign. And it gets even better – like last year, our own employees were the faces of the shooting. A total of 40 PUMA employees were photographed. We also welcomed Angélica Dass to PUMA's headquarters for a globally streamed talk on the messages she shares through her art.

We are very happy that our efforts of the last year were rewarded and recognized with independent awards.

In 2022 PUMA was listed by the Financial Times as a Leader in Diversity for Europe." and also by Forbes as World's Top (50) Female-Friendly Company. In Germany we were named "Company of the Year" at the German Diversity Awards, and in Mexico we were among the best places to work for women in Expansión's ranking, "Súper Empresas Para Mujeres To critically examine ourselves as a company and our measures, we decided to participate in the PRIDE Index 2022/ The LGBTQ+ Diversity Performance Index. And good news: we made it into the Top20. We will continue to secure and expand the international competitiveness of our business in the long term by integrally embedding diversity, equity & inclusion (DE & I) in our DNA.

Measures to promote gender equality

We promote gender equality and are pleased that the gender distribution in the PUMA Group is balanced today, with approximately 50% female employees and 50% male employees. Of all our employees who work in STEM (Science, Technology, Engineering and Mathematics) roles, 45% are women. In 2022 women accounted for 44% of all management levels worldwide. Thanks to various measures with which PUMA has worked on equal opportunities, this figure has increased continuously in recent years (2018: 40%, 2019: 41%, 2020: 43%, 2021: 44%, 2022: 44%). However, we are not satisfied with this and are striving to increase the promotion of women in management positions, especially at the higher management levels, worldwide in the coming years.

**➤ T.01 PERCENTAGE OF WOMEN IN MANAGEMENT POSITIONS (in %)**

Region	2017	2018	2019	2020	2021	2022
Europe	31	31	35	34	37	37
EEMEA	38	43	42	44	42	40
North America	46	48	50	48	48	48
Latin America	35	38	38	40	45	44
Asia/Pacific	41	44	43	48	49	50
Total	38	40	41	43	44	44

In addition, the Supervisory Board of PUMA SE has set a target of at least 2 women (33%) for the proportion of women on the Supervisory Board. For the Management Board, the Supervisory Board has set the following targets for the proportion of women: (i) At least 1 woman (25%), on condition that PUMA SE has four Management Board members, (ii) at least 1 woman (20%), on condition that PUMA SE has five Management Board members, (iii) at least 2 women (33%), on condition that PUMA SE has six Management Board members. We set ourselves an implementation deadline by October 31, 2026.

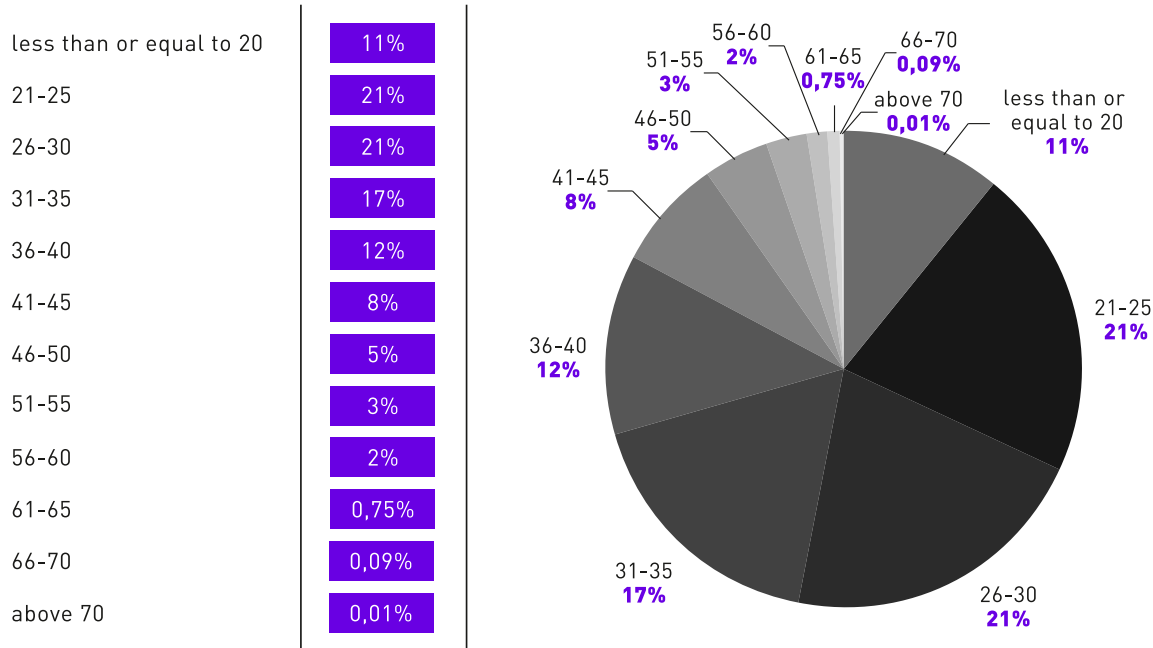
We want to continuously support the development of women in management positions. For this reason, we offer special training and access to inspiring networks. The exchange with experienced female managers is intended to encourage and motivate female employees to take on leading roles within the company themselves.

We see the fact that PUMA has two women on the Management Board of four since January 1, 2023, with Anne-Laure Descours (CSO) and Maria Valdes (CPO), as a success of our efforts to achieve equal opportunities.

The average age of our employees worldwide is 31. Our employees represent all working age groups.



➤ G.02 AGE GROUP



Being inclusive

Creating an inclusive work environment in which employees with disabilities can perform their tasks while developing their potential is very important to us. That is why we adapt workplaces to their special needs and provide appropriate training. In Germany the interests of employees with disabilities are represented by an elected member of the Works Council. Due to the different legal situations in our companies, in some countries it is not permitted to record the status of disability and the various definitions of a severely disabled employee. Around 1% of our employees have informed us that they are severely disabled, although the actual number is probably higher.

WELLBEING

We invest in a continuously improving wide range of services and benefits to foster the health and wellbeing of our employees. We are convinced that employees are more motivated and perform better when they feel good and have a healthy work-life balance. Our Wellbeing concept was developed at our headquarters in Herzogenaurach and adapted to local needs and regulations. Today it plays an important part at all PUMA subsidiaries worldwide.

Our wellbeing program includes four components: Flex, Social, Finance and Athlete.

After the restrictions we have experienced in recent years, we were very happy to be able to present the full program to our employees again. As a sports company, we naturally offer a wide range of sports and training opportunities, such as regular in-house sports courses, sports events, free access to the gym and our various outdoor courts for football, volleyball, basketball and tennis. A highlight in 2022 was the opening of our new padel tennis court, which gives our employees even more opportunities to get active. Our sports classes range from meditation and yoga to TRX, Jumping Fitness and Krav Maga.

During our "Be Well Weeks", which promote healthy lifestyles, we offered free health checks and nutritional advice and gave our employees the opportunity to try the latest trends in fitness and sport.



FLEXIBLE WORKING CONDITIONS

Being committed to our people's wellbeing, we offer excellent working conditions based on a unique culture. To enable our employees to balance their professional and private lives and manage stress, we offer a variety of models, such as flexible working hours, mobile office, part-time employment and sabbaticals, from which they can choose at different stages of their lives.

In light of the COVID-19 pandemic, we are responding with maximum flexibility in terms of when and where our employees work and have introduced a hybrid working model in all our offices worldwide.

In Germany, employees can take advantage of the free employee assistant services provided by one of our partners. With a parent-child office, a nursing room, daycare spots and summer camps for children during school breaks, our headquarters in Herzogenaurach was awarded the German "Audit Beruf & Familie" (audit work and family) certificate, which we have held since 2015.

Our goal is to minimize voluntary turnover and maintain the number of employees in permanent employment at over 80%. In 2022, 90% of our employees worldwide had a permanent employment contract, and the employment of over 27% of our employees was governed by a collective agreement. The turnover rate is highly dependent on the share of retail business in the respective markets and regions. The employee-induced turnover rate was 26% (12% for non-retail employees and 36% for retail employees). The overall turnover rate was 35%, including retail employees. The proportion of employees working part-time was 22% at the end of 2022.

➤ T.02 EMPLOYMENT CONTRACTS (PERMANENT/FIXED TERM)

	Permanent					Fixed Term			
	Total	Total	Female	Male	Diverse	Total	Female	Male	Diverse
EUROPE	4.626	3 839	1.936	1.901	2	787	467	320	0
EEMEA	4.406	4.331	1.695	2.636	0	75	41	34	0
North America	3.710	2 957	1.496	1.449	12	753	373	378	2
Latin America	3.209	3 208	1.381	1.827	0	1	1	0	0
Asia/Pacific	4.534	4.134	2.566	1.567	1	400	226	174	0
Total	20.485	18.469	9.074	9.380	15	2.016	1.108	906	2

➤ T.03 EMPLOYMENT CONTRACTS (FULL-TIME/PART-TIME) (in %)

Employment contracts	Female	Male	Diverse	Total
Full-time	47	53	0	100
Part-time	58	42	0	100



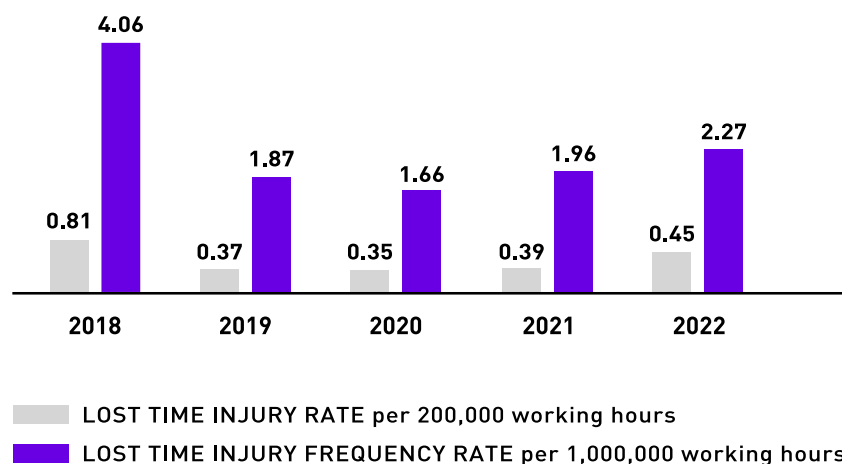
OCCUPATIONAL HEALTH AND SAFETY

We strive to keep our people healthy and safe by providing a work environment where health and safety issues are taken seriously. The COVID-19 pandemic continued to be a challenge in some markets in 2022. As a result, we maintained our strict hygiene and safety approach that adhered to all applicable health and safety regulations, i.e., distancing rules, installation of hand sanitizer dispensers and a requirement to wear masks. In addition, we continued to provide protective masks and free rapid tests for all our employees. In this way, we reduced the risk of infection to an absolute minimum. PUMA offered free vaccinations and, where possible, organized vaccination campaigns in our offices worldwide. In 2022, we placed a special focus on the topics of mental wellbeing, resilience and mindfulness in order to provide our employees with the best possible support in this politically and economically difficult environment and the increased mental stress that this often entails.

Our updated global Occupational Health and Safety Policy underlines the importance of this issue. PUMA has a central Health & Safety Committee that operates in our headquarters in Herzogenaurach and conducts quarterly meeting. This internal committee includes health and safety specialists who conduct frequent health and safety inspections and exchange documentation on health issues and risks. These are complemented by external inspections by official bodies, such as the German "Berufsgenossenschaft". In addition, all our larger units also have dedicated local health and safety experts. Our Global Director People & Organization is part of our Executive Management Team and informs our Management Board about relevant health and safety matters at least quarterly.

We have set ourselves the bonus-related goals of zero fatalities and lowering the average injury rate year on year. For 2022, we set a goal to stay below a lost time injury rate of 0.50. The lost time injury rate expresses the number of lost time injuries per 200.000 worked hours. In addition to conducting safety training courses at all our sites, we also offer online training programs to prepare employees for potential emergency situations and thus reduce the number of accidents. In 2022, we promoted our digital OHS training course to all our sites, which included hygiene and proper mobile office behavior. Last year, we provided a total of 15,545 hours of safety training, while 7,169 employees were trained in fire safety and 6,139 in first aid. In 2022, 91 workplace accidents requiring a work stoppage were recorded worldwide. This corresponds to a lost time injury rate of 0.45 compared to 0.39 in 2021. The lost time injury rate for PUMA SE was zero and 0.31 in the previous year. Another indicator of employee engagement and the health of our workforce is the rate of absence due to sickness, which was 2.49% in 2022. We recorded no fatal accidents, and the rate of occupational diseases was zero at PUMA in the last 11 years, including 2022.

➤ 6.03 LOST TIME INJURY (FREQUENCY) RATE





FEEDBACK

Feedback from inside and outside PUMA is very important to us. It shows if we are moving in the right direction, and it helps us to constantly improve. In this way, we regularly compare ourselves with other companies and gain valuable insight from our employees.

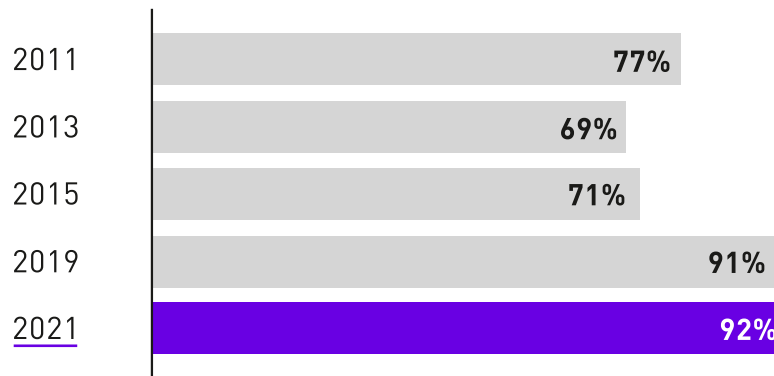
Our "listening strategy" includes various ways of providing feedback and aims to pick up on the mood of our employees and understand their concerns and needs. We capture their feedback and ideas through surveys, pulse surveys, focus groups, interviews and sentiment analysis. We use systems such as Amber, Leena AI and Workday for this purpose. In addition, regular industry benchmarking is also carried out, and this is reflected, for example, in our Top Employer certification, our Great Place to Work award, and the "berufundfamilie" audit, as well as other awards we have received.

The feedback we receive in this way and in particular through our global employee opinion survey in 2021 encourages us to continue and further expand the measures we have implemented. The next global employee survey is planned for 2023.

ENGAGEMENT

Delivering outstanding performance and achieving consistent growth requires a high level of commitment and dedication from our employees. We measure employee engagement through regular global employee opinion surveys and are particularly proud to have received an engagement score of 92% in our most recent survey. We value our employees' high level of engagement as well as their loyalty to the brand and aim to maintain this high level in the years to come. This year, we continued to implement the measures in the action plan resulting from the 2021 global employee survey.

➤ G.04 EMPLOYEE ENGAGEMENT SCORE



AWARDS

2022 was a year marked by valuable recognitions for PUMA as a global employer. Providing our employees with a workplace where they can develop, grow and take on new opportunities is one of our top priorities. Forbes partnered with market research company Statista to create the "World's Best Employers" certification. We are proud to be recognized among them for the third consecutive year in 2022. In addition, being named one of the "World's Top Female Friendly Companies 2022" by Forbes for the first time is a great recognition of our efforts to champion women in the workplace.

In addition to our global efforts, we also received several awards on a regional level. Being recognized as one of "Europe's Leaders in Diversity" for the third year in a row by the Financial Times mirrors our efforts



to create a diverse, equal and inclusive company culture. In terms to diversity, we are more than proud of the German Diversity Award, inclusion in the Pride Index and recognition as one of the best teams of the year in the British Business Women Awards Series. All this shows that PUMA supports and drives diversity at all levels and locations across the globe. We also received the Great Place to Work Award in Argentina for the third time and in India for the fourth year in a row. Furthermore, our South-East Asian PUMA locations in Malaysia and Indonesia received this award for the first time. Due to its organizational culture and work climate, our Latin American PUMA location was not only certified as one of Mexico's Súper Empresas 2022, but also recognized as one of the Súper Empresas para Mujeres 2022 by the Expansion Magazine for offering specific benefits for women. In Asia, PUMA Hong Kong received special recognition for its commitment to the community, employees and the environment, and was therefore named a Caring Company 2022 for the fifth year in a row. We are especially proud that all over the world, the unique and inclusive PUMA culture is experienced and valued by several different external institutes and organizations, just as it is internally.

Finally, our commitment to providing the best working environment and opportunities for our employees was also rewarded by being named a Top Employer in 22 PUMA countries, including Germany, France, the United Kingdom, Spain, Italy, South Africa, Japan, Vietnam and Hong Kong, as well as all four PUMA regions – Europe, Asia Pacific, North America and Latin America – as a whole. On top of this, we are more than proud that we certified in 2022 as one of 15 Global Top Employers for the year 2023 as the only company in our industry.



PERSONAL JOURNEY

As a company we can only reach our goals if we attract, recruit and retain talent at PUMA. Competing for the best suitable talent on the market, our intention is to raise awareness of PUMA as an employer of choice which offers challenging roles, while providing professional talent management and unique development opportunities.

RECRUITING

People are our enduring asset. To ensure PUMA remains the employer of choice in the minds of our prospects and external applicants, we use a data-driven approach to attract talent. We use analytics to review the past trends in recruitment, understand the key source of talent inflow and design our talent acquisition strategy accordingly. To support our strategy, we use digital platforms, social media as well as the PUMA career website connecting with talents globally. To ensure our talent pipeline is everlasting, we foster relationships with academic universities through career events, company talks, master classes, etc. to name a few. In 2022, we deepened our engagement with candidates through enhanced communication via exclusive PUMA digital events, where they had the opportunity to interact with PUMA senior leaders and provide their suggestions for improving the brand.

TALENT MANAGEMENT

We believe that our employees are the drivers of their personal career journey. With an integrated approach to talent management, we foster a feedback and results-oriented culture at PUMA and a self-directed learning mindset. We regularly, at least yearly, evaluate all our employees, set up personal development plans, and identify the right people to prepare them to shape PUMA's future. Talent conferences are conducted globally to assess the entire PUMA workforce, including all levels of management. Employees are evaluated on criteria such as individual performance and competencies, potential, learning agility, ambition and mobility. The targeted analysis of our employees' profiles allows us to match internal talent with upcoming career opportunities. This helps us build a robust succession pipeline within the company and to foresee and address our organization's future competency needs. Our strong focus on internal talent mobility gives our employees the opportunity to develop professionally and gain cross-cultural experience, leading to an enhanced learning curve on a professional and personal level. We use digital platforms where our internal talents can find the opportunity of their choice that is just one click away. An example of this is the "Job Alert" feature in Workday, which allows us to automatically display job openings to employees, increasing the visibility of career opportunities within the PUMA Group. As a result, we can report a significant number of internal moves including relocations abroad. Overall, in 2022 we were again able to fill 3 out of 4 of our vacant key positions worldwide through internal promotions or horizontal transfers and filled 45% of open positions with internal candidates. We see this as confirmation of our talent and development strategy.

DEVELOPMENT

The continuous professional and personal development of our employees also ensures that our staff have the necessary skills to ensure internal growth and drive the company forward. Strategic workforce planning and Workday help us identify skill gaps and gain transparency into our employees' capabilities. We offer a wide range of options for training and development, including courses, workshops and coaching – online and offline, standardized or specially tailored to individual needs. Based on a lifelong learning approach fostering a self-driven learning culture, we provide a state-of-the-art learning infrastructure integrated into the Workday Human Capital Management system for internal and external training courses. With LinkedIn Learning and GoodHabitZ, more than 20,000 different online training courses are available for personal and professional development in a variety of learning categories – available in up to nine languages.



Speaking another language promotes mutual understanding, creates connections and enriches diversity; it also enhances our internal mobility. While the global focus is on English, employees can also learn or improve another language, including for private use. In 2022, we increased our focus on language training and acquired a global Busuu license covering fifteen languages. All our employees, including retail employees can now learn a new language online in a self-directed and flexible way according to their needs. Learners are supported by certified trainers in live lessons, individually and in groups. We received the eLearning AWARD 2023 in the category "Best Roll Out Project" for the implementation of this project. To help employees integrate locally, PUMA also offers weekly language courses in a classroom on the office premises, so that employees no longer have to commute to external courses after work and can integrate more quickly into a local environment.

Learning content such as mental wellbeing, resilience, mindfulness and emotional stability helped us to provide our employees worldwide with the best possible support during the current challenging times. Our hybrid concepts for all of our existing classroom training provide flexibility and ensure that employees can learn in the formats they prefer and that are right for them. In 2022, 16,216 employees worldwide participated in training courses and workshops over a total of 117,433 hours. This resulted in an average of 7 hours training per FTE and € 247 per FTE spent on training, even though most of our trainings are digital.

To achieve the goal of building an agile learning organization and expand the use of agile working methods even further, we continue to offer our digital agile coach program to employees worldwide. By the end of 2022, over 130 employees from all over the globe have completed the program since its launch. Based on three levels of training – Agile Rookie, Agile Facilitator and Agile Coach – we focus on a need-based training to equip the right people with the right skills. Various business units and their teams are actively applying Agile principles as well as Agile frameworks, such as Scrum, Kanban, Design Thinking and OKRs in their day-to-day business and strategic planning.

LEADERSHIP TRAINING ILP/ILP²/PLE

Our PUMA leaders play an important role in fulfilling our mission to become FOREVER.FASTER. To master the new complex challenges in a volatile work environment and at the same time achieve our goals of excellence, we highly value their skills and leadership expertise. We have designed the International Leadership Program (ILP & ILP²) to equip our staff with the necessary competencies and ensure a common understanding of our leadership culture throughout the organization. PUMA leaders receive intensive training and coaching, including interactive learning, roleplay simulations and best-practice learning, as well as joint projects. Special focus is placed on mindful leadership and agile working methods. The program consists of various modules that give managers the opportunity to apply their newly acquired knowledge between seminars.

In 2022, we fostered our new PUMA Leadership Expedition program designed to enable leaders to lead effectively in a VUCA (Volatility, Uncertainty, Complexity and Ambiguity) world. It is fully virtual, easily accessible and based on the key concepts of self-driven learning, nugget-learning, learning sprints, and peer-learning. A healthy mix of trainer-led virtual sessions, and self-driven learning with a pool of more than 130 one-hour learning nuggets allow our leaders to decide what they need to learn, when they want to learn, and how they want to learn. The entire program is based on Learning Sprints that consist of trainer-led sessions, self-driven nugget learning, retrospective sessions with coaches and group assignments to achieve the highest possible learning and transfer success. We are very proud to have been awarded with the eLearning AWARD 2023 in the category "Agile Learning" for this innovative training.

For employees who are taking on a management role for the first time, we offer a PUMA-tailored training "From employee to manager" to prepare them for their new challenge and ensure a common understanding of leadership at PUMA among all newly promoted leadership talent. In addition to the training modules, this program also includes individual coaching and pre- and post-learning online.



SPEED UP/SPEED UP²

Accelerating our employees' progress & retaining talent is essential for organizational success. Driving this ambition, two selective development programs, Speed Up and Speed Up², are designed to unlock the potential of our talent. To prepare them for the next steps in their career, we provide an intense curriculum, including cross-functional projects and tasks, coaching, mentoring and targeted training courses. Participants also benefit from exposure to top management and establish strong networks globally. In 2022, the fourth global group started its Speed Up/Speed Up² journey.

FUTURE TALENT

We are constantly on the lookout for future talent that we can successfully develop and equip with the relevant skills to take on prospective challenging roles in the PUMA Group. A varied range of initiatives at universities and career fairs both locally and internationally, gives us the opportunity to approach potential employees and identify suitable candidates. We offer a lot of options within an international work environment, creating the ideal conditions for people starting their careers.

In 2022, six dual students and seven apprentices joined the PUMA Headquarters in Herzogenaurach. We offer dual study programs in the subjects, International Business, Fashion Management, Business Informatics, Accounting & Controlling and Digital Commerce Management. In cooperation with different universities, the students get theoretical background while gaining valuable practical experience in different teams at PUMA. Our apprentices either train as industrial clerks or IT specialists. They are working in various departments of the company to develop personal and professional skills and broaden their knowledge while regularly attending vocational school. In total PUMA had 45 apprentices and dual students by the end of 2022.

Another way for young talent to get to know PUMA is through our internships and working student positions. Students from all over the world are not only given the opportunity to gain six months' work experience, but also build a network and sharpen their skillset. By the end of 2022 roughly 140 Interns and Working Students were part of the PUMA family.



SUSTAINABILITY

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KARSTEN

WARHOLM





FOREWORD ANNE-LAURE DESCOURS, CSO



➤ **ANNE-LAURE DESCOURS**
CHIEF SOURCING OFFICER (CSO)

2022 allowed us to achieve several milestones in Climate Action, Circularity and Human Rights, as set in our Forever Better sustainability strategy and 10FOR25 targets:

We were able to produce 7 out of 10 products* according to our PUMA Sustainability Index, which means these products are made with more sustainable materials. In 2022, 100% of all leather, 99.8% of all cotton and 99% of all paper and cardboard packaging used by PUMA were sourced in more sustainable versions such as, Leather Working Group certified leather, Better Cotton or FSC certified or recycled paper and cardboard.

We also further increased our circularity efforts. Meanwhile over 50% of the polyester used for our apparel and accessories products comes from recycled materials, and we started to scale up the use of recycled cotton.

* Excluding products produced by PUMA Group company stichd. For further details on the reporting scope, please refer to [Scope of the Report](#) section.



With the RE:SUEDE project, we created a biodegradable experiment of our most iconic sneaker and with RE:JERSEY, we piloted a garment-to-garment recycling process of polyester clothing, in partnership with major football clubs like Manchester City, AC Milan, Borussia Dortmund and Olympique de Marseille.

To help fight climate change, we continued to source 100% renewable electricity for PUMA's own offices, stores and warehouses, either with renewable electricity tariffs or renewable energy attribute certificates. In addition, we invested over € 1.5 million to electrify our PUMA car fleet and saw the first ever electric truck starting operations for PUMA in the USA. This has helped us to reduce our own carbon emissions by 86% compared to our 2017 baseline. At supplier level, several factories started producing own renewable energy with large-scale rooftop solar PV installations or by transitioning boilers from fossil fuels to biomass.

On the social side, 160,000 factory workers were trained on sexual harassment at work, hitting our target three years ahead of schedule. As a long-term signatory to the Bangladesh International Accord on Building and Fire safety, we also signed the newly established Pakistan Accord and our PUMA employees contributed 43,000 hours of community engagement work around the globe.

Our engagement was recognized with top positions in several rankings and ratings last year, for example the Business of Fashion Sustainability Index, the Carbon Disclosure Project (CDP) or the Sustainability Leadership award from American Footwear News.

Despite these recognitions, we are fully aware that much remains to be done to make PUMA a truly sustainable company. For example, product-to-product recycling so far only exists at pilot scale, the wages paid in many sourcing countries still need to be increased to allow for a decent living and our goods are still transported from the manufacturing hubs to markets using fossil fuels.

We are convinced that many challenges we are facing today are systemic and need to be tackled at an industry level.

Therefore, we discussed the sustainability challenges and potential solutions with young activists, experts and industry peers, such as the CEO of Under Armor, during our first Conference of the People.

The feedback we received from Generation Z activists keeps me optimistic. We need to further strengthen our efforts and young generations not only accept that this needs to be done, but also demand their favorite brands to behave more sustainably.

There is only one Forever – Let's Make it Better.



HIGHLIGHTS OF 2022

During 2022 we continued to implement our Forever Better Sustainability Strategy and work towards our 10FOR25 sustainability targets. In addition, we further increased communication around Forever Better and launched more sustainable products.

Meanwhile **seven out of 10 PUMA products** globally are aligned with our definition of a more sustainable product, meaning they are made with a significant part of more sustainable materials, such as recycled cotton or recycled polyester, for example.

In the area of **Circularity**, we launched product takeback initiatives at selected stores of our major football club partners. At PUMA, we now operate takeback bins at our Headquarters Store in Germany as well as stores in the US, China/Hong Kong and Australia.

In terms of **Climate Action**, we continued to power our own offices, stores and warehouses with 100% green electricity and added 93 electric cars to our PUMA car fleet. We introduced the first ever electric truck at our logistics center in the US and agreed with our global logistics service provider, Maersk, to start using biofuels for the shipping of PUMA products. Our core suppliers increased their share of renewable energy to 11%.

In the area of **Human Rights**, the average payment is 13.4% above minimum wages for our core supplier Tier 1 factories. Our PUMA employees donated 43,000 working hours to community engagement work and we continued to send signals for diversity and inclusion, for example by increasing the percentage of women on our management board to 50% and by moving to genderless restrooms at our Headquarters.

We agreed to partner with the Fashion Pact and Textile Exchange on **Biodiversity**. To ensure for example, the leather used for PUMA products does not contribute in any way to deforestation, we monitor the traceability ratings of our tanneries. In the meantime, all the tanneries are certified by the Leather Working Group. For paper and cardboard 99% are either FSC certified and/or recycled, also to avoid any linkages to deforestation.



AWARDS AND RECOGNITIONS

Our sustainability efforts were recognized in several external rankings and recognitions. In 2022 PUMA achieved the highest score on the Business of Fashion Sustainability Ranking, was ranked first among the fashion sector in the Platform Financials for Living Wages benchmark report and for the first time entered the CDP A List for Climate Leaders.

We achieved a leader status in the Textile Exchange Fiber Benchmark Report and the Brands to Zero program of the Zero Discharge of Hazardous Chemicals Foundation (ZDHC).

PUMA also topped the FTSE4Good sector ranking, received a triple A rating from sustainability ratings agency MSCI, a prime rating from ISS and was included in the Corporate Knights Global 100 Most Sustainable Companies list as lead for textiles and clothing. PUMA was ranked highest among all sports brands in the sector with the S&P Corporate Sustainability Assessment. At the end of the year, we received the Sustainability Leadership award from Footwear News America.

At the same time, we also received more critical feedback in reports issued by Stand Earth and the Changing Markets Foundation on the topics of growth and circularity, as well as the dependence on oil as a raw material for synthetic fibers and components. We take these critical remarks into consideration as we develop our sustainability strategy further.





PUMA'S FOREVER BETTER SUSTAINABILITY STRATEGY

PUMA's Code of Conduct and our vendor compliance program, which were introduced more than 20 years ago, are still the basis for any contractual relationship with manufacturers globally and remain the foundation of our responsible sourcing strategy and program.

Our Forever Better sustainability strategy is based on our 10FOR25 targets, which were introduced in 2019, following an extensive materiality analysis and stakeholder dialog.

As a result, we have identified 10 target areas to improve our sustainability performance: Human Rights, Climate Action, Circularity, Products, Water and Air, Biodiversity, Plastics and the Oceans, Chemicals, Health & Safety as well as Fair Income.

For each of these target areas, which reference the United Nations Sustainable Development Goals (SDG), we have defined a minimum of three concrete targets as well as key performance indicators to follow the progress we have made.

With our Forever Better sustainability strategy, we continue our path to fully integrate sustainability into all our core business functions. Sustainability targets are part of the bonus arrangements of every member of our global leadership team, from the CEO to Team Heads.

Sustainability and the communication of our efforts have also been integrated into the strategic priorities for PUMA.



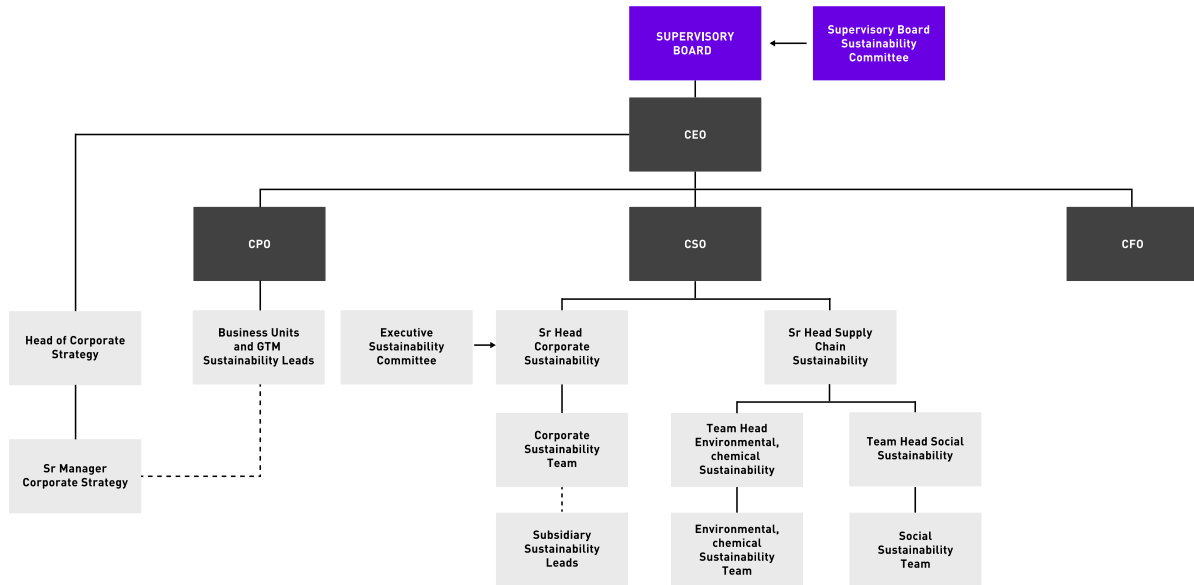
SUSTAINABILITY ORGANIZATION AND GOVERNANCE STRUCTURE

PUMA's sustainability organization is structured and governed in multiple ways:

- At the Supervisory Board level, with a Sustainability Committee.
- At the Management Board level, with the responsibility for sustainability assigned to the Chief Sourcing Officer (CSO)
 - There were several Management Board meetings in 2022 with dedicated sustainability updates, on the sustainability target achievement status and more sustainable product initiatives, for example.
 - The PUMA CEO and CSO participated in our Conference of the People sustainability event focusing on collaboration, circularity and climate action. Other board members participated online.
 - Our CSO has a monthly meeting with the sustainability leads for corporate and supply chain sustainability. Topics include, for example, human rights, health and safety and chemical programs, as well as climate and water projects in the supply chain.
- At the Functional Heads level, with an Executive Sustainability Committee
 - The Executive Sustainability Committee comprises all Functional Heads of the company, such as the Global Directors for Retail, Logistic, Legal Affairs, etc. The committee met twice in 2022, and approved, for example, the Sustainability Bonus Targets.
- At the Product level, with a Cross-Functional Business Unit Call (monthly updates on PUMA's more sustainable product strategy and execution)
- At the Subsidiary level with nominated Sustainability Leads for each PUMA subsidiary (quarterly updates on PUMA sustainability strategy and performance, best practice sharing from individual subsidiaries)
- At the Sustainability Experts level, with a corporate sustainability department and a supply chain sustainability department, as well as a sustainability function in the strategy department.



➤ 6.01 SUSTAINABILITY ORGANIZATION CHART

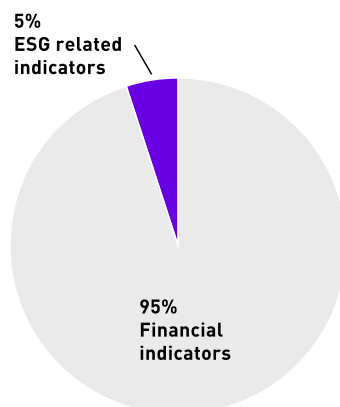


SUSTAINABILITY PERFORMANCE-RELATED REMUNERATION

At PUMA we link performance criteria in remuneration of all leaders globally to clear and defined sustainability targets. The variable annual performance bonus is based on the achievement of PUMA's Forever Better sustainability strategy targets.

All PUMA leaders globally, from CEO to Team Head level, have clearly defined sustainability targets as part of their annual performance bonus. These targets are aligned with PUMA's Forever Better sustainability strategy and focus on our 10FOR25 sustainability target areas, human rights, climate action, plastics and the oceans, health & safety. The targets cover 5% of the overall bonus.

➤ 6.02 REMUNERATION CRITERIA BY WEIGHT



**➤ T.01 2022 BONUS TARGETS**

Area	Percentage of Bonus	Corporate & Subsidiaries Target	Sourcing & Supply Chain Target
Human Rights	1.25%	All PUMA employees are paid a living wage; 2 hours community engagement per FTE	No zero tolerance issues prevailing at year end; 100,000 workers trained on women's empowerment
Climate Action	1.25%	100% renewable electricity for PUMAs own entities Air freight ratio for transport of goods reduced by 10% compared to 2019	10% renewable energy for core suppliers
Health & Safety	1.25%	Zero fatal accidents; Injury rate below 0.5	Zero fatal accidents; injury rate below 0.5
Plastics and the Oceans	1.25%	Eliminate the usage of consumer-facing plastic bags from owned and operated stores by end of 2022; Increase percentage of recycled polyester used in apparel and accessories to at least 50%	Increase percentage of recycled polyester used in apparel and accessories to at least 50%

STAKEHOLDER OUTREACH

To ensure that the PUMA sustainability strategy covers the most relevant topics, we are using the process of a formal materiality analysis combined with stakeholder dialog and outreach.

Our stakeholder dialog includes active participation in several sustainability initiatives. In 2022 we became a member of econsense, a German partner of the World Business Council for Sustainable Development, and added Global Fashion Agenda, the organizer of main sustainability events in the fashion sector, to our list of key partnerships. Our overall investment in partnerships to accelerate and better use more sustainable materials amounts to over € 1 million.

 **G.03 MATRIX OF KEY PARTNERSHIP INITIATIVES**

Human Rights		Chemicals	Products	Climate Change		Health and Safety	Water and Air	Biodiversity	Plastics and the Oceans	Circularity	Fair Income
ILO Better Work (Bangladesh, Cambodia, Indonesia, Vietnam)	UN Global Compact Peer Learning Group (Germany)	Zero Discharge of Hazardous Chemical Foundation (ZDHC)	Textile Exchange	Fashion Industry Charter for Climate Action (UNFCCC)	German Corporation for International Cooperation (GIZ) (Vietnam, Bangladesh, Cambodia)	RMG Sustainability Council ACCORD (Bangladesh, Pakistan)	Zero Discharge of Hazardous Chemicals Foundation (ZDHC)	Fashion Pact	Fashion Pact	Global Fashion Agenda	Fair Labor Association (FLA)
Fair Labor Association (FLA)	Fair Factories Clearinghouse (FFC)	AFIRM Group	Better Cotton Initiative (BCI)	Carbon Disclosure Project (CDP)	World Wildlife Fund (WWF) (China)	ITC-ILO	Sustainable Apparel Coalition (SAC)	Forest Stewardship Council (FSC)	Textile Exchange	Textiles Exchange	Fair Wage Network
Social and Labor Convergence Program (SLCP)	Amader Kotha (Bangladesh)	Federation of European Sporting Goods Industry (FESI)	Leather Working Group	Stiftung Klima Wirtschaft (Germany)	World Resource Institute (WRI) (Mexico)		Institute of Public and Environmental Affairs (IPE) (China)	Canopy	Microfiber Consortium	Federation of the European Sporting Goods Industry (FESI)	
Industry Summit	MicroBenefits (China, Vietnam)	GOBlu	First Mile	International Finance Corporation (IFC) (Bangladesh)	Fashion Pact						
Better Buying	econsense (Germany)			Apparel Impact Institute (China, Taiwan, Vietnam)							

international national

AFIRM: Apparel and Footwear International RSL Management, BCI: Better Cotton Initiative, CDP: Carbon Disclosure Project, FESI: Federation of the European Sporting Industry, FFC: Fair Factories Clearinghouse, FSC: Forest Stewardship Council, FLA: Fair Labor Association, GIZ: German Corporation for International Cooperation, IFC: International Finance Corporation, ILO: International Labour Organization, IPE: Institute of Public and Environmental Affairs, ITC: International Training Center, RMG: Ready Made Garments, SAC: Sustainable Apparel Coalition, SLCP: Social and Labor Convergence Program, UNFCCC: United Nations Framework Convention Climate Change, WRI: World Resources Institute, WWF: World Wide Fund for Nature, ZDHC: Zero Discharge of Hazardous Chemicals Foundation

“PUMA continuously works to enact long-lasting impact for our collective future and is a valued member of Global Fashion Agenda’s diverse ecosystem. In 2022, it was a pleasure to have PUMA exchange insights at both the Copenhagen and Singapore editions of Global Fashion Summit.”

FEDERICA MARCHIONNI
Chief Executive Officer, Global Fashion Agenda

CONFERENCE OF THE PEOPLE

Our first PUMA stakeholder dialog dates back to 2003. Since then we have organized 15 in-person and one virtual stakeholder meetings.

As part of our ongoing stakeholder dialog, and to expand our communication with younger generations, we launched the first Conference of the People in September 2022. With a live event in London including 200 external guests that was streamed live to over 2,000 viewers around the globe, this format allowed us to have an open conversation about the most critical sustainability challenges, such as circularity and climate change with Generation Z representatives, as well as industry experts and peers during five discussion panels. The topics of the five main conversations were: Rethinking Waste, Material World, Eco-Anxiety, Wood for the Tees and working Forever Better together.

Our PUMA CEO and CSO were joined by the CEO of Under Armor, as well as actress Naomi Harris to critically reflect on these topics, but also listen to potential solutions.

A video recording of the event is still accessible [here](#).



We took the feedback we received during Conference of the People to heart and decided to publish a consumer-facing version of our Annual Report's sustainability section and to engage with Gen Z ambassadors more frequently to include their feedback in our strategy and reporting.

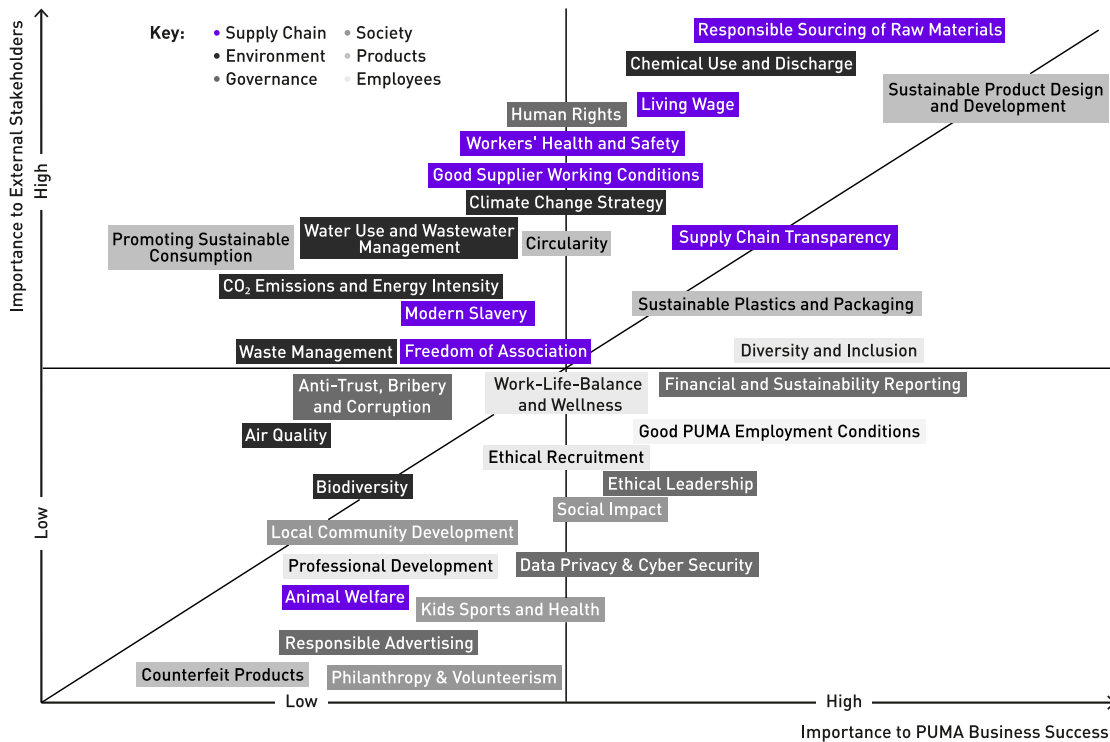


Actress Naomi Harris in discussion with British TV presenter Ade Adepitan and sustainability activist Jack Harris during the first Conference of the People.



MOST MATERIAL ASPECTS

PUMA's last formal materiality analysis was performed in 2018 - 2019 with the help of expert consultancy BSR. The methodology, list of consulted stakeholders and results were reviewed and approved by PUMA's Managing Directors. Since then, we are using our frequent stakeholder dialog, our membership in various sustainability organizations as well as our participation in sustainability benchmarks and ratings as an indication on whether our strategy is still covering the most important aspects of our business. This has helped us, for example, to add stand-alone policies for human rights, the environment and ethical marketing in 2022 to our set of existing [sustainability policies](#). After reviewing the EU Textiles Strategy as well as upcoming regulations, we are expanding our due diligence efforts deeper into our supply chain and have started to add new aspects such as logistics or products not used for sales (e.g. cars and office supplies). We have also adapted the way we communicate our sustainability efforts to consumers and younger generations. For 2023 we are planning a more formal update of the materiality analysis in accordance with the double materiality principle.

**7 G.04 MOST MATERIAL ASPECTS****Transfer of materiality results into 10FOR25 target areas:****IDENTIFIED MOST MATERIAL TOPIC**

- Responsible Sourcing of Raw Materials
- Supply Chain Transparency
- Good Supplier Working Conditions
- Worker Health and Safety
- Living Wage
- Chemical Use and Discharge
- Climate Change Strategy
- Sustainable Product Design and Development
- Sustainable Plastics and Packaging
- Circularity
- Human Rights
- Diversity and Inclusion

**10FOR25 TARGET AREA**

- Products
- Human Rights
- Human Rights
- Health and Safety
- Fair Income
- Chemicals
- Climate
- Products
- Plastics and the Oceans
- Circularity
- Human Rights
- Human Rights



➔ G.05 PUMA'S 2025 SUSTAINABILITY TARGETS











* SDG: United Nations Sustainable Development Goals

**➔ T.02 PUMA 10FOR25 SUSTAINABILITY TARGETS PERFORMANCE SUMMARY**

Not started
 In progress
 On track
 Achieved

Target area	Targets for 2025	Performance 2022	Status
 01 Human Rights	Target 1: Train 100,000 direct and indirect staff members on women's empowerment	168,037 factory workers and 2,077 PUMA employees trained	
	Target 2: Map subcontractors and Tier 2 suppliers for human rights risks	Tier 2 mapping completed 48 Tier 1 subcontractors mapped	
	Target 3: 25,000 hours of global community engagement per year	43,000 hours	
 02 Health and Safety	Target 1: Zero fatal accidents (PUMA and suppliers)	Zero fatal accidents at PUMA Two fatal accidents at suppliers	
	Target 2: Reduce accident rate to 0.5 (PUMA and suppliers)	0.3 injury rate at PUMA suppliers 0.45 at PUMA	
	Target 3: Building safety policy operational in all high-risk countries	ACCORD Bangladesh: Progress rate 91% Signed ACCORD Pakistan Building safety assessments in 13 factories in Indonesia, India and Pakistan	






Target area	Targets for 2025	Performance 2022	Status
 03 Chemicals	Target 1: Ensure 100% of PUMA products are safe to use	No product recall from the market	
	Target 2: Maintain RSL compliance rate above 90% (Target changed since 2020)	RSL compliance rate of 98.5%	
	Target 3: Reduce organic solvent usage to under 10 gr/pair	VOC index at 13.2 g/pair	
	Target 1: 90% compliance with ZDHC Wastewater Guidelines	Conventional parameters: 98% Restricted chemicals: 99% Heavy metals: 99%	
 04 Water and Air	Target 2: 90% compliance with ZDHC Air Emissions Guidelines	Our core Tier 1 and Tier 2 follow local regulations	
	Target 3: 15% water reduction per pair or piece based on 2020 baseline	Textile: -5% Leather: -17% Apparel: -17% Footwear: -36%	



Target area	Targets for 2025	Performance 2022	Status
 05 Climate	Target 1: Align PUMA's climate target with 1.5 degrees global warming scenario	Applied to SBTi to approve new absolute GHG emission reduction: Scope 1 and 2 by 90%, Scope 3 by 33% in 2030	 Scope 1 and 2
	Target 2: 100% renewable electricity for PUMA entities	100% renewable electricity used for PUMA entities (including RECs)	 Scope 3
	Target 3: 25% renewable energy for core suppliers	11% for Tier 1 (finished goods) 10.8% for Tier 2 (materials) (Including RECs)	
	Target 1: Eliminate plastic bags from owned and operated PUMA stores	48% reduction compared to 2021 (189 tons), 99 tons in 2022, no more plastic bags used starting 1 st January 2023	
	Target 2: Support scientific research on microfibers	12 shedding tests conducted	
 06 Plastics and the Oceans	Target 3: Research biodegradable plastics options for products	Launched RE:SUEDE as a test for biodegradability	
	Target 1: Establish takeback schemes in all major markets	Hong Kong takeback scheme ongoing since 2019; US takeback ongoing (footwear) Germany (HQ), Manchester City, AC Milan, Borussia Dortmund and Olympique de Marseille rolled out, Australia rolled out	
 07 Circularity	Target 2: Reduce production waste to landfills by at least 50% compared to 2020	-48% waste to landfill per footwear pair +1% waste to landfill per apparel piece	
	Target 3: Develop recycled material options for cotton, leather and rubber	Recycled cotton and leather used in PUMA ReGen collection, recycled rubber used	



Target area	Targets for 2025	Performance 2022	Status
 08 Products	Target 1: Procure 100% cotton, polyester, leather and down from certified sources	99.8% cotton 70.4% polyester 100% leather 100% down	
	Target 2: Increase recycled polyester use to 75% (apparel & accessories)	51.5% recycled polyester for apparel and accessories	
	Target 3: 90% of apparel and accessories classified as more sustainable	79% apparel volume 46% accessories volume	
	90% of all footwear contains at least one more sustainable component	61% footwear volume	
 09 Fair Income	Target 1: Fair-wage assessments for the top five sourcing countries	4 out of 5 (Bangladesh, Cambodia, Indonesia, Vietnam)	
	Target 2: Effective and democratically elected worker representatives at all core suppliers	48% of core Tier 1 factories covered	
	Target 3: Ensure bank transfer payments for all core suppliers	99.3% core Tier 1 and Tier 2 suppliers use digital payment 99.7% of workers are paid digitally in core factories	
 10 Biodiversity	Target 1: Support setting up a biodiversity SBT	Sponsored a landscape analysis report	
	Target 2: Procure 100% cotton, leather, and viscose from certified sources	99.8% cotton 100% leather 97.2% viscose 100% down feathers	
	Target 3: Zero use of exotic skins or hides	New Animal Welfare Policy published	

REC: Renewable Energy Attribute Certificates, RSL: Restricted Substances List, SBT: Science-Based Target, SLCP: Social and Labor Convergence Program, Tier 1 (T1) suppliers: Supplier of finished goods, Tier 2 (T2) supplier: Supplier of materials or components, Tier 3 (T3) supplier: Supplier of yarn hides, etc., VOC: Volatile Organic Compound, ZDHC: Zero Discharge of Hazardous Chemicals



SCOPE OF THE REPORT

DATA COLLECTION

In this report we cover the PUMA Group. We have provided separate reports for PUMA SE and the PUMA Group within the Governance and our People sections only. Our materiality analysis and Environmental Profit and Loss (EP&L) clearly indicate that a major aspect of our impact originates in the manufacturing of materials and components, not in the assembly of finished goods. We collect data from our core suppliers of components and materials. Our materials data so far excludes the materials used by stichd (mainly socks and bodywear) and for Cobra Golf equipment, as these companies run their own sourcing. For social compliance data, stichd and Cobra Golf factories are included.

DATA SOURCES

To ensure a high level of transparency and promote the sharing of environmental and social data with our industry peers, we have chosen to use external databases, most of which are publicly accessible:

- [The Open Supply Hub](#), an open-source map and database of global apparel facilities
- The Fair Factories Clearinghouse for sharing social audit data with other brands
- The wastewater platform from the Zero Discharge of Hazardous Chemicals Foundation (ZDHC) for sharing supplier data on wastewater testing (ClearStream reports)
 - The ZDHC Chemicals Gateway for the use of safe chemicals
 - ZDHC-approved chemical inventory platforms: BHive, CleanChain, E3
 - RSL database [Green Arrow](#)
 - The China-based NGO IPE for the publication of suppliers' environmental data
 - [IPE's Green Supply Chain Map](#) of environmental performance data of some of our core suppliers in China
 - The Higg Index Platform from the [Sustainable Apparel Coalition](#)
 - The Fair Labor Association (FLA) fair compensation dashboard to benchmark factory workers' income towards industry and/or living wage benchmark
 - Fair Wage Network database
 - ACCORD Bangladesh inspections database: [The Bangladesh Accord on Fire and Building Safety in Bangladesh](#)
 - Worker Complaints – third-party platforms: [MicroBenefits CIQ](#), [Labor Solution - WOVO](#), [Amader Kotha](#).

Also, we use our own sustainability data collection tool to record social and environmental performance data from PUMA-owned and operated sites and from the core suppliers that manufacture our products.



DUE DILIGENCE AND RISK ASSESSMENT

PUMA conducts regular due diligence on human rights & labor, environmental and integrity risks (listed in T.03) for its own activities and across its supply chain as per the recommendations of the UN Guiding Principles for Business and Human Rights as well as the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, and other relevant responsible business conduct standards. We embed responsible business conduct in our own policies, training and management systems and identify actual and potential harms in our own operations and supply chain.

T.03 HUMAN RIGHTS & LABOR, ENVIRONMENTAL AND INTEGRITY RISKS

Human Rights & Labor Risks	Environmental Risks	Integrity Risks
Child labor	Greenhouse gas (GHG) emissions	Bribery and corruption
Discrimination	Hazardous chemicals	
Forced labor	Water scarcity	
Occupational health and safety (e.g., worker-related injury and ill health)	Water pollution	
Violations of the right of workers to establish or join a trade union and to bargain collectively	Landuse change	
Non-compliance with minimum wage laws	Waste	
Wages do not meet basic needs of workers and their families	Air emissions	

Due diligence is an ongoing process, in which we can identify, mitigate, prevent risks and address their existing and potential adverse impacts (e.g. child labor, discrimination, hazardous chemicals, etc.).

As stated in the "Corporate Governance Statement", PUMA has a functioning Compliance Management System (CMS) to systematically prevent, detect and sanction violations in the areas of corruption, money laundering, conflicts of interest, antitrust law and fraud/embezzlement.

In response to the COVID-19 pandemic, the possibility of future crises and/or upcoming regulations, our vendors are recommended to conduct their due diligence. Our risk assessment process of potential harm to people (human rights & labor and environmental risks) includes:

- External sources: NGO reports, media, country indices and country regulation, PUMA partnerships with FLA, Better Work, Fashion Charter, ZDHC, AFIRM, etc. and stakeholder dialog
- Internal sources: PUMA social, chemical and environmental audit findings/data analysis, grievances received per country, supply chain risk mapping, number of factories in countries with high risk, per commodity, also including non-core factories, material processing and raw material extraction

We **prioritize** risks based on:

- Severity: Scale (how serious the impact is), scope (how many people are or will be affected) and irremediability
- The likelihood of risk occurring based on operating environment: conflict zone, weak governance; mismatch between local practices and international standards



Our mitigation measures include the factory monitoring program, grievance mechanism, supplier scorecard, business integration, goal-setting and internal and external reporting. The effectiveness of our measures is evaluated based on progress and compliance with our policies.

PUMA policies are published on [our website](#), as well as our factory monitoring programs and standards defined in our Social, Environmental, Occupational Health and Safety and Chemical [handbooks](#).

PUMA also adopted ELEVATE intelligence, or EiQ, a comprehensive suite of supply chain analytics, to:

- Assess our supply chain risks by geography, commodity and issue
- Complete a risk assessment for suppliers, factories and sites
- Manage risks that are material for each supplier, factory or site.

The 10FOR25 targets are linked directly to the four main sustainability-related risks identified in our due diligence process:

- Potential human rights violations or incidents in our supply chain (Tier 1 and Tier 2*)
- Potential incidents of environmental pollution in our supply chain (Tier 1 or Tier 2)
- Potential non-compliance with chemical regulations during production (Tier 1 or Tier 2)
- Negative effects of climate change (transition risks and physical risks)

The four main sustainability-related risks are reflected in the Risk Management System that PUMA has established to identify and manage material risks or risks that could pose a threat to the company's objectives at an early stage. The Risk Management function conducts formal interviews with selected risk owners (key function management responsible to identify and address the risks) on a semi-annual basis set to identify, evaluate and report risks. The risk owners of PUMA's sustainability department review risks within their area of responsibility and report the evaluation and the evolution of countermeasures implemented to mitigate or reduce the potential impact of sustainability-related risks to the Risk Management function.

To mitigate and prevent sustainability risks, PUMA has set the 10FOR25 targets and implemented a due diligence process. PUMA reports internally and publicly (through annual sustainability reports) on the following activities and progress toward our goals 10FOR25:

- Conduct regular complete and follow-up social audits based on International Labour Organization standards (including reaudits and capacity building projects) for all Tier 1* and Core Tier 2* suppliers.
- Monitor performance with factory environmental management system via Higg Index Facility Environmental Module (FEM), regular RSL testing (Restricted Substances List) of materials and products, input chemistry control via Manufacturing Restricted Substances List (MRSL) by ZDHC, output control via wastewater tests by independent and accredited laboratories.
- Follow the status of new regulation via industry associations such as Federation of the European Sporting Goods Industry (FESI), and key partners, a matrix listing PUMA's key partnership initiatives is maintained to track all relevant international and national sustainability organizations, and follow up on legal requirements (e.g. UK Modern Slavery Act, new German due diligence law) in a timely manner. Implementation of approval procedure for sustainable product claims.
- Actively conduct stakeholder dialog with NGOs and other expert organizations. Regular updates of PUMA policies and sustainability standards (e.g. Code of Conduct, handbooks). Set up functioning workers' hotline (included in Code of Conduct) and employees' hotline (included in Code of Ethics), enhance industry collaboration with competitors in terms of human rights and environmental performance measurement tools, standards, certifications (e.g. Facility Environmental Module, Social Labour Convergence Program, Material Restricted Substance List, Leather Working Group, Forest Stewardship Council). Regular Internal training (for example e-learning accessible via Workday).

* Tier 1 manufacturers of PUMA products; Tier 2 manufacturers of materials and components



Net risks as outlined in the CSR Directive Implementation Act (§315c in relation to §289c, section 3, number 3 German Commercial Code (HGB), were not identified in 2021.

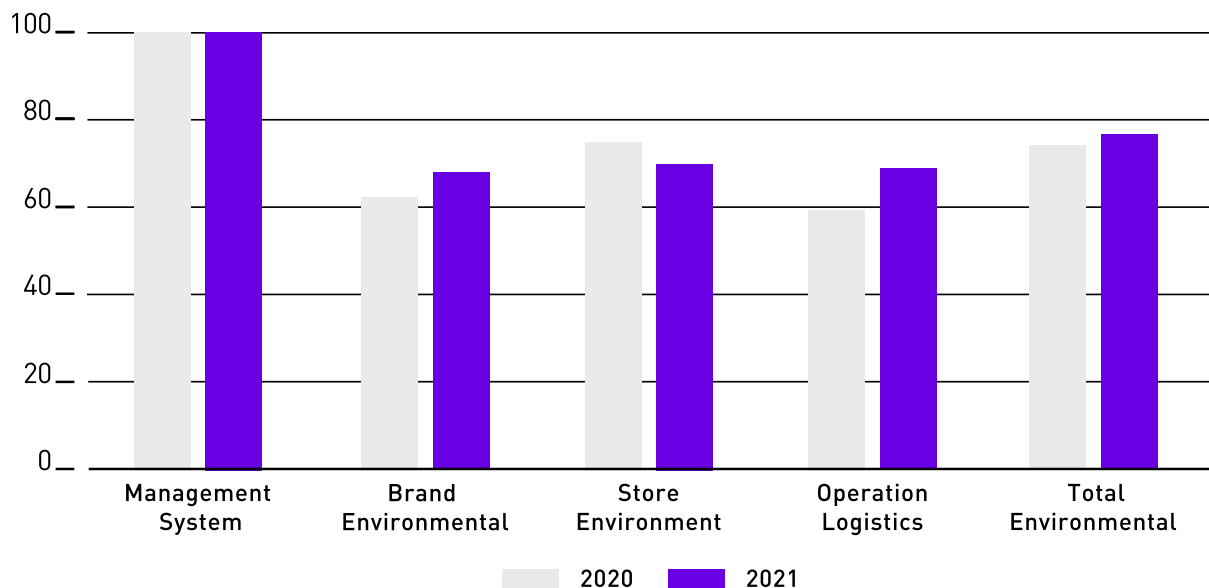
Further details on PUMA's overall risk management can be found in the [Risk Management](#) section.

PUMA'S PERFORMANCE IN BRAND AND RETAIL MODULE

As part of our risk assessment and industry benchmarking, we use the Brand and Retailer Module (BRM) of the Sustainable Apparel Coalition. The Higg Brand & Retail Module (Higg BRM) guides brands and retailers on their sustainability journeys and identifies hotspots and opportunities for improvement along their global value chain. From more sustainable materials sourcing to a product's end of use, the Higg BRM assesses the life cycle stages for their sustainability coverage. Our Higg BRM scores are externally verified.

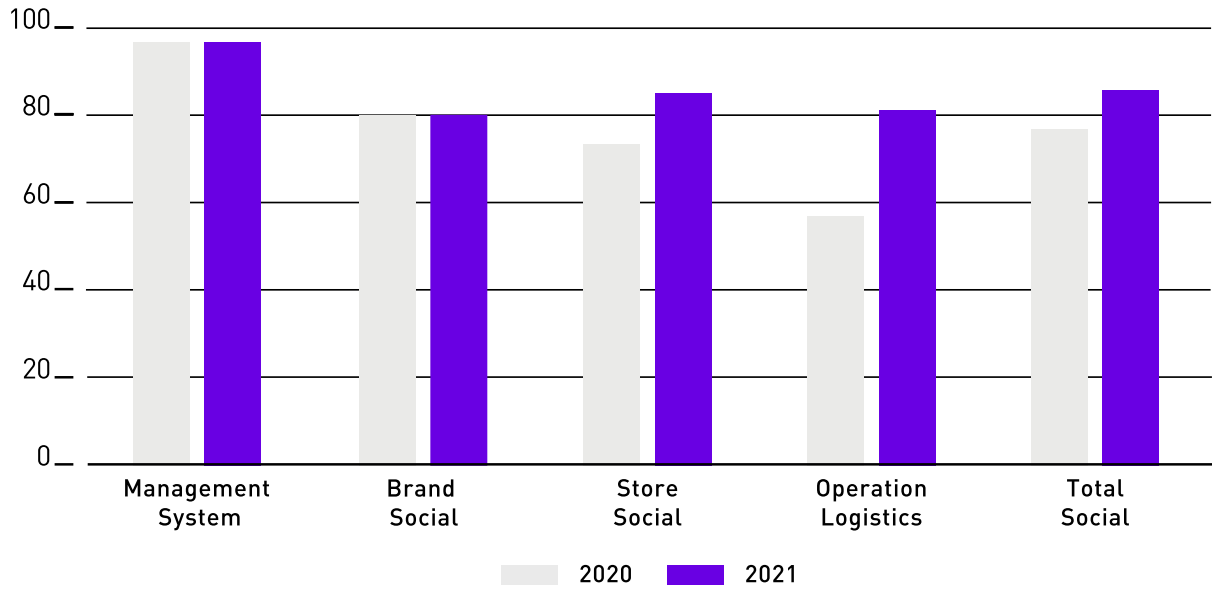
Our overall BRM environmental score increased from 74.3% in 2020 to 76.8% in 2021. The social score increased from 76.4% in 2020 to 85.4% in 2021. We significantly improved our social score for logistics and retail operations as well as our end of use score, although this score is still at a low level. Improvements include the payment of a living wage to all PUMA employees globally (including retail and logistics) as well as the introduction of several circularity initiatives, such as our RE:SUEDE and RE:JERSEY programs, swap shops at major offices as well as takeback boxes in selected stores across three continents.

6.06 2020-2021 PUMA BRM ENVIRONMENTAL VERIFIED SCORE

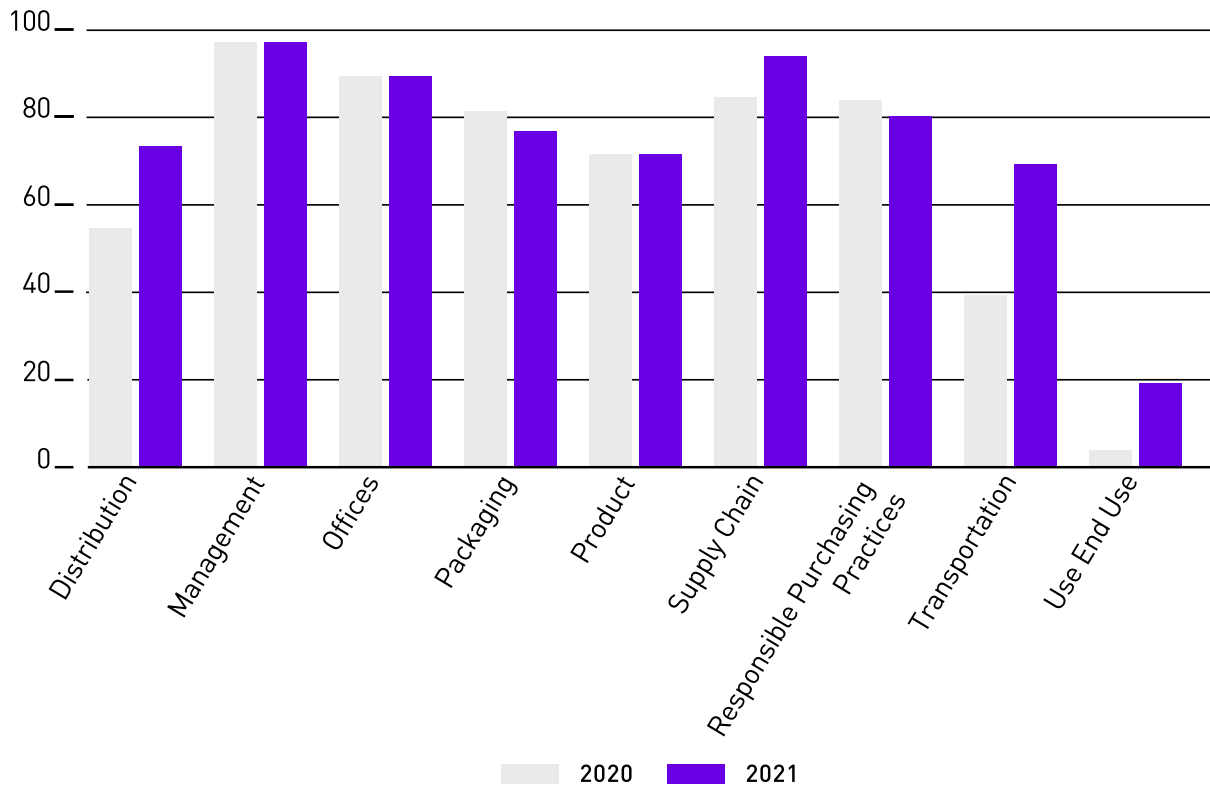




➤ G.07 2020-2021 PUMA BRM SOCIAL VERIFIED SCORE



➤ G.08 2020-2021 PUMA BRM LIFE CYCLE STAGE VERIFIED SCORE





HUMAN RIGHTS

Relates to United Nations Sustainable Development Goals 3, 5, 8 and 10



Target Description:

- Train 100,000 direct and indirect staff on women's empowerment
- Map subcontractors and Tier 2 suppliers
- 2 hours of community engagement per FTE globally per year

KPIs:

- Percentage of worker complaints resolved
- Number of factories with an A, B+, B-, C or D grade
- Number of Tier 2 suppliers and subcontractors included in our risk mapping
- Number of zero-tolerance issues prevailing at year end
- Number of employee hours spent on community engagement (KPI shared with Human Resources)
- Number of workers trained on women's empowerment

PUMA's sustainability policies are aligned with the United Nations' (UN) Declaration of Human Rights, the UN Guiding Principles (UNGPs) on Business and Human Rights, the International Labor Organization's Core Labor Conventions, and the ten principles of the UN Global Compact (UNGC). Observing human rights was part of our first Code of Conduct developed in 1993 and has guided our business ethics ever since. It has been the long-standing practice of PUMA to continuously and rigorously monitor our supply chain and conduct human rights due diligence on all our suppliers globally, including those in major production hubs such as Vietnam, Bangladesh and China.

HUMAN RIGHTS AT PUMA'S OWN ENTITIES

Guided by our Code of Ethics and Code of Conduct, PUMA's company culture of diversity and inclusion puts Human Rights at the center of everything we do.

All PUMA employees who feel that ethical standards in business may have been compromised can raise their voice. Various channels are in place to report any suspicions and/or observations related to modern slavery or other human rights aspects. In practice, all employees could address their request regarding apparent failure to their line manager. They may also raise the matter with staff representatives, the legal department, the internal audit department or via a toll-free external whistleblower platform available worldwide. Our Ethics Committees make sure that no action is taken against an employee who, in all good faith, reports a case of failure to comply with an ethical principle of the Code of Ethics, as a consequence of having reported the matter.



REFORM INITIATIVE

Besides implementing Human Rights and Labor Rights for our own employees, our colleagues are active in community engagement work and our Reform Program supports organizations like **Women Win** or **Football versus Homophobia**, who promote Human Rights in sport and work against discrimination in any form.

More on our Reform Initiative can be found [here](#).



Come Together Cup in Nuremberg, Germany

COMMUNITY ENGAGEMENT

Our goal is to reach a total number of hours spent on community engagement equal to twice our annual average FTE (full-time equivalent). We encouraged all our employees around the world to participate and record projects and employee engagement on an online platform.

Our Community Engagement Program has continued to create a positive impact locally by supporting social, health and environmental causes, and we were able to donate 43,000 community hours in 2022.

For more information on PUMA's employee policies and philanthropic donations please refer to the **Our People** section of this report.



Community engagement: PUMA Philippines provides aid to those in need



HUMAN RIGHTS IN THE SUPPLY CHAIN

RESPONSIBLE PURCHASING PRACTICE POLICY

As a responsible business partner to our suppliers, we recognize that our own business practices, as well as our trading terms and conditions can have a significant impact on the organization at our suppliers' factories. The aim of this PUMA Responsible Sourcing Policy is to reduce potential negative impacts.

PUMA's responsible purchasing practice policy was developed in 2019, to create a framework for guiding decisions and maintaining consistency through key principles:

- i. Only working with suppliers that signed a Manufacturing Agreement.
- ii. Payments to suppliers are made on time and in full. We only deduct payments and impose penalties when it is lawful to do so.
- iii. Price paid for product to include reasonable labor costs, such as overtime premium payments, social insurance payments and costs to comply with environmental standards.
- iv. Open production capacity must be declared by the supplier based on standard work weeks as per the law of the relevant production country.
- v. Seasonal production plans are allocated considering the negotiated capacity with the supplier.
- vi. Sufficient production lead time must be provided.
- vii. Suppliers may not subcontract production without authorization from PUMA. All subcontracting units should respect our Code of Conduct.

In 2022, 280 PUMA colleagues from development, sourcing and production joined Responsible Sourcing Practice training, the same topic also covered 1,145 supplier participants through virtual webinars. The training referred to the UN Guiding Principles on Business and Human Rights, to explain the link between the purchasing practices, potential impact on working conditions and risk of Human Rights violations.

In 2022, 31 staff members of the PUMA sustainability team and our licensees' team attended Better Work Purchasing Practices e-learning. This online course tracks a garment from inception to delivery. It provides an overview of global supply chain dynamics, sourcing modules and procurement, and highlights the impact of purchasing practices at each stage of the process. This interactive training is divided into eight modules, each consisting of an informational video and quiz for participants to check their understanding.

BETTER BUYING SURVEY

In 2022 we asked 30 strategic Tier 1 suppliers to participate in the Better Buying Survey and collected core suppliers' feedback on the implementation status of PUMA responsible purchasing practices. 9 accessories, 14 apparel and 7 footwear suppliers, representing 75% of our business volume and 67% of our business value. 28 suppliers responded (response rate: 93.3%).

Better Buying gathers data from suppliers to provide guidance to brands for improving purchasing practices, so suppliers can provide good working conditions and improve their environmental performance. Brands voluntarily invite their suppliers to participate.

Suppliers rate their brands anonymously according to the Five Principles of Responsible Purchasing which focus on the buyer purchasing practices that could have the biggest impact on suppliers' businesses:

1. VISIBILITY - Brands provide enough information about the planned business for suppliers to act
2. STABILITY - Brands give suppliers steady and predictable business across the year
3. TIME - Brands provide enough time for suppliers to complete all processes
4. FINANCIALS - Brands use fair financial practices with suppliers
5. SHARED RESPONSIBILITY - Brands play their part in improving supply chain social and environmental sustainability



We benchmarked our 28 suppliers' feedback with more than 700 suppliers' feedback to the 20 brands classified under sporting goods and discussed these results internally to set a clear focus area for improvement. We received the following feedback:

Visibility

Design and development can play a significant role in improving sustainability in supply chains. Choices made at this stage of the process have significant downstream financial, social and environmental impacts. While all our samples are based on a Tech Pack, we see opportunities in improving accuracy for accessories and footwear. We have an overall high sample hit rate and our suppliers recognize our effort in increasing the use of more sustainable materials, 3D sampling, industry certification and in setting target prices prior to product development. While 100% of our purchase orders are accurate for apparel, we see room for improvement in the accuracy of purchase orders for accessories and footwear to avoid an impact on shipping deadlines.

All our suppliers confirmed that we would provide them with a business forecast, enabling them to plan the workforce needed. We see the need to better communicate our overall forecasting and planning timelines and processes to our vendors and improve our in-season communication for some of our product divisions.

Stability

As a principle, we will not cancel orders and accommodate order placement to suppliers' difficulties such as lockdown period. In the case of order cancellation which remains less than 1% for PUMA, we always pay our suppliers for any liability associated to cancellation. Some of our suppliers reported that our company canceled orders. We will follow up on this.

Time

A large majority of our suppliers confirmed that we have an agreed time and action calendar for pre-production and production deadlines. We got feedback from our suppliers that PUMA missed some deadlines, we will further investigate, so we can guide our teams for improvement.

Financial

Most of our suppliers feel they have favorable terms through digital payment, the Forever Better Vendor Financing Program, PUMA paying for samples and bulk production in a timely manner.

The centralization of both the sourcing and procurement functions, along with the rollout of a cloud-based purchase order collaboration and payment platform, linking the sales subsidiaries, PUMA International Trading and the vendors, has enabled the digitization of the supply chain creating transparency, operational efficiency and reducing complexity. For example, all payments to vendors are automated and paper-free. We do not apply any late penalties to our vendors. We will strengthen our communication of payment terms to suppliers and refresh their knowledge on the Forever Better Vendor Financing Program. We also see opportunities to collaborate with our suppliers to increase their production efficiency (related to style allocation, volume, standardization of fabrics, labeling and packaging processes etc.).

Shared responsibility

All our suppliers reported that sustainability criteria are considered along with commercial concerns, 89% of our suppliers feel rewarded for their sustainability performance. Providing incentives for compliance and sustainability encourages suppliers to partner with our company by giving them a competitive advantage for working toward sustainability goals.

A large majority of our suppliers acknowledge our effort to enforce our sustainability standards and to reduce audit duplication at their factories, which helps them to gain clarity on their improvement actions.



FOREVER BETTER VENDOR FINANCING PROGRAM

We use our PUMA Forever Better Vendor Financing Program to incentivize suppliers, with a better scoring in our social and environmental compliance audits with lower interest rates. The 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).

HUMAN RIGHTS RISK ASSESSMENT

In previous years we had conducted human rights risk assessments at the corporate and the supply chain level and communicated the results in our 2016 and 2017 Annual Reports. In 2021 we commissioned and completed a human rights risk assessment, focusing on forced labor management in the supply chain. The most salient risks to human rights are forced or bonded labor in our supply chain and, at the farm level, child labor.

SUPPLY CHAIN FORCED LABOR MANAGEMENT APPROACH REVIEW

In 2021 the supply chain services company ELEVATE supported PUMA by conducting an evaluation of its human rights risk assessment approach, with a specific focus on forced labor. The evaluation framework utilized drew on the expectations of the UN Guiding Principles for Business and Human Rights (UNGPs) with a specific focus on the risks of forced labor, based on the definition of forced labor specified in the ILO Forced Labour Convention, 1930 (No. 29) as, "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily". ELEVATE also utilized ILO's 11 indicators of forced labor in this analysis.

Policy Commitment and Embedding

As a result of the assessment, PUMA scores highly regarding policy commitment and internal alignment. ELEVATE recommended strengthening existing human rights-related policies to explicitly reference the ILO Forced Labour Convention, and all eleven forced labor indicators. We are in the process of developing an updated Human Rights Policy, which will include this as a specific element. We are also developing Human Rights e-learning to provide further guidance materials for internal teams on mitigating risks. In 2023 we will launch e-learning based on the PUMA social handbook for our suppliers, covering PUMA's social monitoring program and standards.

Forced Labour Due Diligence Procedures and Processes

As a response to ELEVATE's recommendation, we refreshed our risk assessment for supply chain and published it in this report. This includes both risk exposure and business leverage insights to prioritize suppliers.

PUMA reviewed the severity grading of audit findings linked to forced labor indication, this will then also increase escalation and prioritized investigation and remediation processes. We revised our social handbook and trained our suppliers and sourcing colleagues accordingly.

At the end of 2021 PUMA also adopted ELEVATE intelligence, or "EiQ", a comprehensive suite of supply chain analytics, to:

- Assess our supply chain risks by geography, commodity and issue
- Complete a risk assessment for suppliers, factories and sites
- Manage risks that are material to each supplier, factory or site.

In 2022 we uploaded 1,390 audit reports (2019 to 2021) in the EiQ tool. This tool shows the gross risks which are risks before mitigation measures, such as social security benefit, systematic excessive overtime, or



insufficient overtime wage. We evaluated the countermeasures that we have in place in the factories shown as high risks in this tool. All these factories go through regular audits, some are part of the ILO Better Work program. The majority are enrolled in our fair wage program and were provided with Working Hours Management and Root Causes Analysis training; we have also provided tailor-made programs to increase the capability of factory and vendor staff to one factory. For the other factories, mainly Tier 2 suppliers, we plan to expand the Root Causes Analysis training to them in 2023, so they can introduce corrective action to resolve their audit findings by addressing the root cause. We see some countries with higher risks. In 2022 we allocated a full-time team member in India and in Cambodia and added more team members in China.

In our handbooks, we request our vendors to conduct due diligence. We facilitate our supplier training in due diligence through the International Labour Organization-International Training Center platform.

To increase transparency, we report on the most common audit findings, training, grievances and mitigation measures such as outcome focused KPIs (Key Performance Indicators) to track the effectiveness of our supplier programs.

While PUMA's hotline is accessible to civil society organizations and external stakeholders, we will review our stakeholder engagement methodology, especially civil society organizations stakeholders representing vulnerable groups, such as women, children and migrant workers.

We also extended the scope of our social monitoring programs to EMEA factories, high-risk countries' warehouses and to some non-core Tier 2 suppliers.

We translated our handbooks (PUMA factory monitoring standards and procedure for social, occupational health and safety, environment and chemical) into Chinese, Vietnamese and Spanish and created a video to explain the PUMA social handbook in three languages as well.

We will conduct regular reviews of the grievance mechanisms available to stakeholders, in line with the UN Guiding Principles effectiveness criteria. We will also review how stakeholder groups that are likely to use the grievance mechanism are engaged in the performance of the mechanism.

RUBBER MAPPING

An example of our supply chain due diligence efforts at farm level is the rubber mapping project in collaboration with the Fair Labor Association. In 2019 the Fair Labor Association partnered with the International Organization for Migration and three global footwear and three major sporting goods companies, which source shoes and sporting goods from Vietnam, including PUMA, on a project to map natural rubber. [The project report](#) was published in 2021.

The project had two primary objectives:

1. Map the natural rubber value chain in Vietnam to understand supply chain structure, worker demographics, the process of recruiting workers, and working conditions across the tiers of the natural rubber supply chain.
2. Inform participating companies about supply chain mapping through an action-based learning approach to help companies identify gaps in the internal supply chain management systems and understand internal and external practices that can streamline mapping in the future.

At the plantation and rubber farm level, the research team found a general lack of awareness of legal requirements and a lack of government labor inspections. The project highlighted the challenges to addressing labor issues in the rubber supply chain. Most industry stakeholders have not considered upstream supply chain mapping as a core operational activity. The scope of the supply chains, which often span borders, makes mapping a resource-intensive exercise that is a challenge for any single company to undertake, while collective approaches to mapping have not yet been developed.



This research was a first step toward mapping human rights and labor risks in the supply chain of natural rubber. This exploratory exercise has highlighted issues with working conditions at the rubber production level. The project developed an understanding of purchasing practices at different tiers, how the factories engaged with upstream suppliers evaluated the worker demographic at the facility level. Moving forward PUMA will continuously explore the opportunity to engage with stakeholders on lower tier monitoring.

WORKER SURVEY

PUMA operates multiple worker voice channels. The third-party worker engagement platforms cover 92 suppliers, 202,397 workers, which represents more than 80% of our Tier 1 and Tier 2 production volume in 2022. 21 non-strategic suppliers from Bangladesh and China also adopted one of these platforms in 2022. In 2020 PUMA launched the Worker Survey Program to get workers' feedback in eight countries on their satisfaction with the factory work environment via a mobile app survey. Workers score each survey question from 0 (the least satisfied) to 5 (the most satisfied).

In 2022 overall workers' satisfaction increased by 6% compared to 2020.

T.04 WORKER SURVEY 2020 – 2022

Year	Number of factories	Number of workers	Satisfaction rate
2020	20	17,551	3.93
2021	48	13,557*	4.17
2022	68	21,526	4.17

The survey includes fair compensation, stress management, employee-employer relationship, grievance mechanism, dignity and respect, workers' engagement, working hours, health and safety and how friendly the work environment is. In the 2022 survey, all were scored between 3.96 (fair compensation) and 4.30 (friendly work environment).

Workers felt more satisfied than the previous year in the number of working hours, the grievance mechanism and stress management. We see more effort required on fair compensation and improving employee-employer relationships. We had one-on-one communication with all participating factories to understand their challenges and agreed on key priorities to improve in the coming year. On average, 49% of the agreed actions have been implemented.

WOMEN'S EMPOWERMENT

Training women on their rights and empowering them to advance their careers further is key to achieving gender equality, where both men and women have equal power and opportunities for education, healthcare, economic participation and personal development.

60% of workers producing PUMA goods are women and 49% of factory managerial positions at our core Tier 1 suppliers are filled by women. PUMA initiatives support suppliers in reviewing existing policies and practices or establishing new ones for women's empowerment. We believe that collaboration among the industry and with NGO experts in women's empowerment is key to avoid duplication and provide the right expertise.

* From 2021 we adopted Gallup methodology to define the sample of production workers of each factory based on 95 confidence level and 5 margin of error.



In 2021 PUMA cooperated with the **International Center for Research on Women (ICRW)** to run a Gender Equity Project in Indonesia, Vietnam, India and Bangladesh. The aim was to create holistic worker voice and employee engagement tools with the intention of addressing the challenges women face across supply chains and advancing their wellbeing.

PUMA factories used the Gender Equity Self-Diagnostic Tool to generate a snapshot of nine factories' gender equity policies and practices, identify opportunities for high-impact gender-specific initiatives, and help inform new priority action areas to promote gender equity, such as compensation and pay, or women's health and safety efforts to understand the condition of gender equity. By using this tool, suppliers can determine where there are opportunities to enhance gender integration through their policies and practices and then improve gender equity within their factories. They can identify actions they can take to open and strengthen women's pathways to leadership and operations.

In 2022 PUMA, together with ICRW and other brands, worked on improving the self-diagnostic tool. We also participated in the Worker Voice tool pilot: Worker survey to get workers' perspective on gender equity in the factory, in three factories which used the tool in 2021. We could compare factory management and employees' responses. In the three factories, factory management and employees consider workers' professional development as an area for improvement; workers are satisfied by Gender-Based Violence & Harassment (GBVH) and Health protection policies and practices in place in the three factories. Most positive responses are around workers' trust in response to GBVH reports. Pay and compensation as well as pay equity are areas where responses were not aligned: Management has invested in implementing policies, but workers do not view these as satisfactory. There could be a need for re-evaluation of wage structures and additional transparency around pay structures and policies. Workers are very satisfied to be paid digitally. Support & care for working parents with fewer policies and practices in place are where workers are less satisfied.

In 2021 we conducted a pilot, and the video from the **Better Work Course** related to the prevention of sexual harassment was uploaded to the Micro Benefit Platform from late 2021 in Vietnam. 175 employees in six factories completed the training online. In 2022 the Chinese e-learning course was developed and piloted from August that year. 7,896 employees in 22 factories completed the training online.

The **International Training Centre (ITC)** has been at the forefront of learning and training since 1964. As part of the International Labour Organization, it is dedicated to achieving decent work while exploring the frontiers of the future of work. To strengthen PUMA's commitment to promote Responsible Business Conduct (RBC), fundamental principles and rights at work, and occupational safety and health (OSH) throughout our operations and network of business partners, ITC-ILO created customized online training packages for our sustainability team. After completing courses (10 RBC modules plus 18 OSH modules) and successfully passing the technical exams with the ITC-ILO, PUMA Social Sustainability team members were certified by ITC-ILO as Trainers on RBC and OSH in 2021. The PUMA team is training and certifying the factory management team to deliver training to workers on RBC and OSH. One of the topics is harassment and violence at the workplace.

In 2021 we conducted a pilot to train 10 factory managerial staff, who extended the training to 570 workers, counting for more than 386 hours of training, at four factories in China, Bangladesh, Vietnam and Indonesia. In 2022 we trained 287 factory managerial staff in 114 factories, who extended the training to 159,503 workers, counting for 142,841 hours of training in 18 countries on harassment and violence at the workplace.

In 2022, 351 factory managerial team passed the ITC-ILO course (five RBC plus five OHS modules).

In 2023 we are aiming to expand the training to at least 16,000 workers so 180,000 workers would be trained.



SOCIAL COMPLIANCE

PUMA's Code of Conduct is an integral part of our supply contracts. All PUMA suppliers sign a legally binding "Declaration of Principles" to comply with the PUMA Code of Conduct. PUMA requires all vendors, their subcontractors and their suppliers to comply in full with this Code of Conduct.

Compliance with PUMA's Code of Conduct is verified through regular audits. The frequency of an audit is based on the factory grade (A grade re-audited after 24 months (about two years), B+ after 18 months (about one and a half years), B- after 12 months, C grade after six months, and warehouse grade (A, B+, B- grade re-audited after 24 months, C grade after 12 months, D after six months. For factories with D grade, including Better Work Factories, Zero Tolerance (ZT) issues need to be corrected between eight weeks and six months. New factories will not be authorized to produce PUMA products until the factory can be rated A or B.

Independent of the factory grade, all issues identified need to be remedied as part of a corrective-action plan.

Since 1999 all direct PUMA factories (Tier 1) have been frequently audited for compliance with ILO Core Conventions and basic environmental standards. Each year we collect between 300 and 500 audits or assessment reports issued through PUMA's compliance program, the ILO Better Work Program, our industry peers compliance programs, or by independent experts accredited by the Social and Labour Convergence Program (SLCP). We have also included our most relevant material and component suppliers (Tier 2) and key priority warehouses in our audit program. Through collaborative efforts with the sourcing team, we mapped more than 200 non-core Tier 2 suppliers. While one third use FEM (Facility Environmental Module) for other brands, only 13 have had a social audit. We converted these audit reports in our grading system. In May 2022 we reminded all suppliers that the use of undeclared sub-contractors is a Zero Tolerance issue, as per PUMA standards. We asked them to self-declare their Tier 1 subcontractors used for PUMA production. 48 Tier 1 subcontractors were declared, 10 had an audit report that we converted in the PUMA grading system.

In 2022, 392 Tier 1 and 112 Tier 2 suppliers, representing around 80% of our material and component sourcing volume, were audited. In early 2021 we selected 10 priority warehouses, four were audited in or before 2021, and six in 2022. In 2022 we collected 536 audit reports from 510 factories (392 Tier 1, 112 core Tier 2 and 6 warehouses) to safeguard workers' rights to more than half a million workers (630,585 workers). All PUMA suppliers are required to display our Code of Conduct in factories producing PUMA products, materials or components. It contains contact details of the PUMA sustainability team as a whistle-blower hotline. We share the number of grievances received and solved, as well as the most frequent type of grievances in this report.

Furthermore, PUMA is a member of the Fair Labor Association, which regularly audits and accredits PUMA's compliance program for compliance with the [Fair Labor Association's](#) Code of Conduct. It means that PUMA has the systems and procedures in place to successfully uphold fair labor standards throughout their supply chains and mitigate and remediate violations. PUMA, as an FLA member, has agreed to subject their supply chains to independent assessments and monitoring as part of an organizational commitment to upholding fair labor standards through transparency. FLA publishes the results of these assessments to encourage an open and honest dialogue about the conditions that workers face, ensure PUMA accountability, and help consumers make more informed decisions about the products they buy. [PUMA, SE - Fair Labor Association](#)

A comprehensive explanation of our compliance program for suppliers (including grievance mechanisms and case studies) can be found in our [Sustainability Handbook for Social Standards](#). Our Social Handbook explains the procedure of factory monitoring programs (section 3) and our standards. This handbook is reviewed on a regular basis. Suppliers are trained on a regular basis on our standards and monitoring process.



PUMA discloses its factory list with the factory name, address, product category and headcount on PUMA's [website](#) and the [Open Supply Hub platform](#).

Our audit starts with a briefing to the factory management and worker or union representatives on the PUMA standards, as well as the audit process and its scope. In 2022, 84% of audits conducted included a trade union representative or workers' representative during the audit's opening and closing meetings (when closing meetings take place during working hours of the factory).

We believe that interviews with workers, workers' representatives or union representatives are crucial for understanding workers' perspectives on workplace standards, factory atmosphere and protecting vulnerable workers from any work that is likely to cause moral harm. All interviews with workers are conducted on site during the audit (no offsite interview).

In 2022, 7.1% of our Tier 1 factories and 13.4% of Tier 2 failed to meet our requirements. If the factory in question is an active PUMA supplier, we work the factory management on improvement. A pass grade was awarded to 86% (six out of seven) of factories subjected to a second audit. In 2022, 16 new factories did not manage to sufficiently improve their performance and were removed from our active supplier factory base. Applicants that failed their first audits were not taken on as suppliers. To avoid duplication and prevent auditing fatigue, we increased the percentage of shared assessments to 59% from 54% in 2020. We will further increase our adoption of SLCP-based assessments to 280 factories in 2023. We believe that SLCP is an ideal tool for building long-term relationships with suppliers and supporting them to own their social and labor data. PUMA is a member of the ILO's [Better Work Program](#) and uses Better Work audit reports in lieu of the PUMA compliance program. PUMA also uses FLA accredited brand reports as well as some other brands' audit reports in lieu of the PUMA compliance program. We aim to use external reports converted to PUMA standards for up to 80% of our suppliers at the end of 2025.

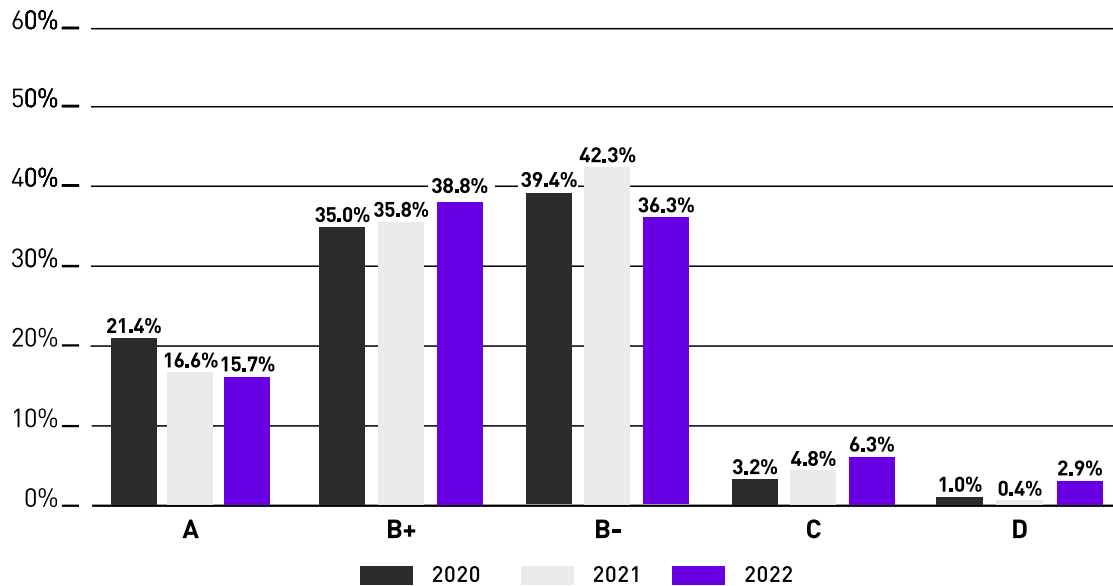
T.05 AUDIT RESULTS 2020 – 2022

	2022			2021			2020	
	T1	T2	Warehouse	T1	T2	Warehouse	T1	T2
A (Pass)	63	17		75	6		82	5
B+ (Pass)	157	41		144	23	2	116	26
B- (Pass)	144	39	2	155	46	1	125	35
C (Fail)	19	11	1	16	7		11	2
D (Fail)	9	4	3	2			4	0
Total active + inactive audited factories	392	112	6	392	82	3	338	68
Total active factories as of Dec 31 st , 2022	516	128	10	445	99	6		
Number of employees	546,286	82,070	2,229					
Audit coverage %	76%	88%	60%	88%	83%	50%		
	510			477			406	
Pass/Fail %	93/7	87/13	33/67	95/5	91/9	100	96/4	97/3



We employ a team of compliance experts spread across all our major sourcing regions. They regularly visit and audit our core manufacturing partners. We also work with external compliance auditors and with the ILO's Better Work Program. Each PUMA supplier factory must undergo a regular compliance audit from six to 24 months based on their audit rating and all issues identified need to be remedied as part of a corrective action plan.

➤ G.09 AUDIT RESULTS 2020 – 2022



In 2022 the number of audited factories increased and 207 more factories were audited compared with 2021 as per our strategy to increase our local-for-local production and scale up our social monitoring program to non-core Tier 2 suppliers (13).

In total 53 factories failed the audit, (33 Tier 1, 16 Tier 2, 4 warehouses); 35 were new factories or factories not under our audit scope yet, such as warehouses or non-core Tier 2. 16 were deactivated due to low performance, 37 are still active, six were re-audited in 2022 and passed the audit. The others were rated C and had 6 months to improve, they will be re-audited in 2023 accordingly.

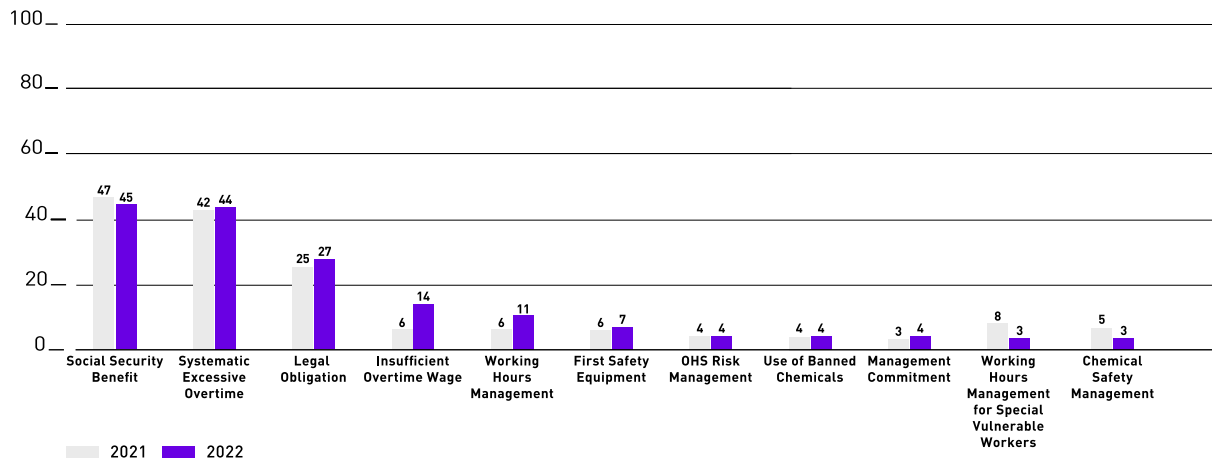
Out of the 15 factories graded D in 2022, only five were still active as of end of December 2022, as progress is on-going. None of these five D graded still active factories have Zero Tolerance issues.

Around 78% of factories active as of end of December 2022 were audited in 2022. Factories not audited in 2022 had an audit still valid in 2022 because of their grading or factories that could not be audited due to the lockdown enforcement in China or located in Ukraine.

69 factories were upgraded to A or B+ this year (48 Tier 1, 21 Tier 2), as a result of our follow-up and training programs.



G.10 2021-2022 NUMBER OF MOST FREQUENT FINDINGS*



* Excluding converted reports and newly audited factories in 2022.

G.10 shows the 11 most frequent audit findings in 536 audit reports from 510 factories.

207 audits were initial assessments (meaning no audit was conducted previously) in 2022, 39% of the total number of audits performed in 2022, meaning that these suppliers are not yet familiar with our standards, which explains the increase in the number of violations. Furthermore, the number of audited factories and audits increased compared with 2021 (2022, 536 audits, in 2021, 508 audits) (in 2022, 510 audited factories, 2021, 477 audited factories).

Some newly audited factories have non-conformities on social security benefits and legal obligations, such as missing required sub-licenses, while other factories started to close this issue. 100% of workers are covered under social security among all our core Tier 1 suppliers, except in China where this is the case for 76% of workers.

Factories in which we detected transparency issues in 2021, have all remedied this issue, no transparency issues detected during 2022 remained open at the end of 2022.

Systemic overtime has remained a challenge, and in 2022 we conducted working hours management training to all Tier 1 factories and a root cause analysis workshop with selected core Tier 1 suppliers to explore opportunities for improvement. Factories' management reviewed and strengthened their policy and working hours monitoring system. They gained a deep understanding of how to conduct a root cause analysis. We could collect an action plan to address prioritized root causes of overtime hours. We will need to further follow up on progress on site in 2023, even though we have noticed a decrease in average overtime hours compared with 2021 from 8.3 to 7.7 hours at our core Tier 1 factories.

There were five audit findings on a potential risk of Freedom of Association breach in 2022, mainly related to the election process of unions or a worker representation committee. As of today, four remain open. We have deactivated one factory and won't be able to follow up on this issue any further. We will continue our engagement with the factory management to close the other cases.

PUMA is committed to respecting women's rights as per the Convention on the Elimination of Discrimination Against Women and expect suppliers to commit to and respect women's rights. In this context, we carefully monitor working conditions for pregnant women. Five audit findings related to pregnant workers, mainly about overtime and maternity leave, two of them are closed and three are still



being followed up. Our 2022 assessment showed that bathroom breaks were not being restricted for pregnant women.

There was no violation found on forced overtime or retaining workers' passports or other identity and personal documents. One audit finding was identified related to restricted freedom of movement and the factory was deactivated. We identified 15 violations regarding delayed payments, eight of them are closed, three factories were deactivated; we are still following up on the four pending findings for improvement.

11% of corrective actions pertaining to wages and/or overtime were implemented, and these issues were resolved in 2022. We expect more progress in 2023, since 40% of audits were conducted near the end of 2022. We noticed improvements in working hours management for especially vulnerable workers, transparency, on-time payment, chemical safety management, labor dialog management. As nearly 40% of the audits conducted in 2022 were initial assessments, reducing overtime and increasing social security coverage will remain a focus of our efforts. In 2023 we will provide e-learning on our social standards, which will help suppliers, especially those newly onboarded, to better understand our expectations.

Beyond auditing, we track social key performance indicators such as average payments vs. minimum wage payments, overtime hours or coverage by collective bargaining agreements. These data are reported under the Fair Income target.

Supplier Training

We also increased our engagement through capacity building activities. In 2022 PUMA provided training to core Tier 1 suppliers on how to conduct OHS risk assessments. We followed up on progress with an on-site visit by a third-party auditing company. Overall core Tier 1 factories had an injury rate of 0.3 in 2022, well below our target of less than 0.5. However, as each accident is one too much and suppliers' knowledge still needs to be further strengthened, we will keep our focus on OHS risk assessment training in 2023.

T.06 SUPPLIER TRAINING

Meeting	Topics	Number of factories	Number of participants
Supplier Virtual Meetings	Sustainability updates, best practices sharing, etc.	Average. 496 per round (3 rounds)	Average. 1,160 per round (3 rounds)
Code of Ethics		473	1,090
Responsible purchasing			280 PUMA sourcing team members 31 PUMA sustainability and licensees' staffs
OHS Risk Assessment	Core Tier 1 suppliers on how to do OHS Risk Assessments	170	404
Working hours management	Principles and process to control working hours	387	950
Overtime root cause analysis	In depth review of root cause analysis methodology	75	240



Grievance Channels

We operate multiple worker voice channels to reach more than half a million workers. If workers are not satisfied with the responses offered by factories via their respective internal grievance system, we encourage the use of the PUMA hotline to raise complaints or request consultations. Phone numbers and e-mail addresses for this hotline are published on our Code of Conduct posters displayed at every audited factory globally. We also use WeChat, Zalo, Facebook, and other social media channels to connect with workers and have established more formalized compliance and human resources apps at selected core suppliers.

The third-party worker engagement platforms cover 92 factories (202,397 workers), which represents more than 80% of our production volume. In 2022 2,006 feedback were received through the MicroBenefits and the WOVO platforms in China, Indonesia, Pakistan, Philippines, Turkey, Cambodia and Vietnam, and the Amader Kotha Helpline in Bangladesh. Of the 2,006 messages, 14 cases were escalated to PUMA as the factory did not respond within the agreed timeline. PUMA engaged with the factory's management to address the workers' concerns. All other concerns not escalated to PUMA were handled and resolved directly by the factory management.

In 2022, 159 workers' concerns were raised through PUMA's hotline across seven countries. Together with our suppliers, our team was able to resolve 99% of them.

Only one issue remains unresolved as of the end of 2022. Since 2021 one worker has not yet received child support sponsored by the government of Vietnam, but documents were not submitted on time by factory HR management. The factory management and PUMA sustainability team will keep following this up.

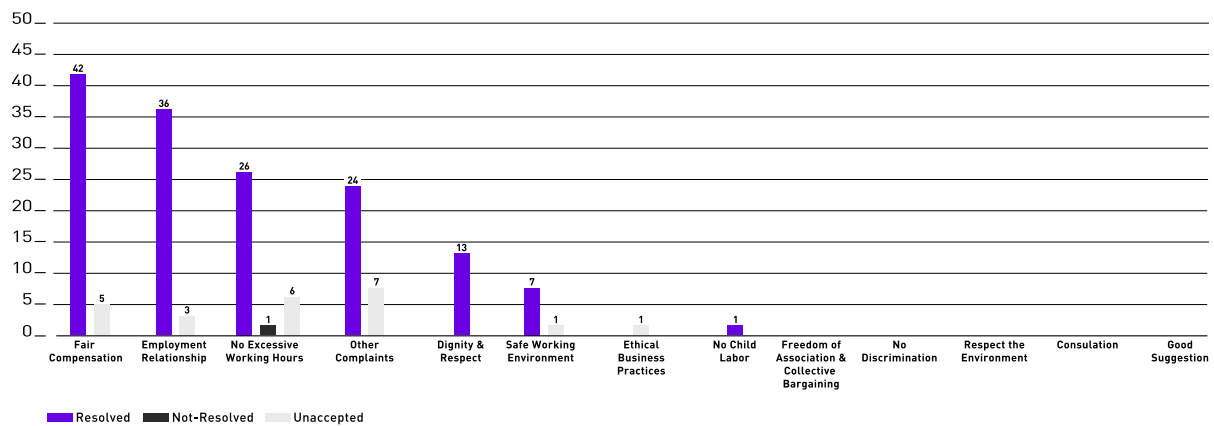
We also received 13 third-party complaints from external organizations related to PUMA's manufacturing partners, seven have been resolved. The majority were about freedom of association, others about fair compensation, abusive practices and work environments. Five out of ten complaints about freedom of association were resolved in 2022, the union representatives were either reinstated or compensated in agreement with the unions involved. We are still following up on the six other cases.

➤ T.07 WORKERS' COMPLAINTS 2019 – 2022

Workers' complaints	2022	2021	2020	2019
Total received – external channels (third-party platforms)	2,006	3,132	1,021	
Total received – PUMA hotline	159	223	101	70
Total confirmed	1,877	3,168	984	61
Total received – PUMA hotline and escalated to PUMA via third-party platforms	173	262		
Resolved – PUMA hotline and escalated to PUMA via third-party platforms	172	261	983	61
Not resolved – PUMA hotline and escalated to PUMA via third-party platforms	1	1	1	0
Resolved (%)	99.3%	99.6%	99.9%	100%



➤ 6.11 NUMBER OF MOST FREQUENT GRIEVANCES RAISED IN 2022 THROUGH PUMA HOTLINE AND THROUGH THIRD-PARTY PLATFORM ESCALATED TO PUMA



For PUMA's own hotline, employment relationship, fair compensation and excessive working hours are the most frequent concerns raised by workers in 2022.

Examples on how we handle grievances received:

In 2022 a group of workers complained through the PUMA hotline about a production manager's abusive behavior in a factory located in South Africa. PUMA's Sustainability Team and Sourcing Team convinced the factory management to collaborate with an independent third party to conduct an in-depth investigation and the production manager was enrolled in a leadership training program to prevent such behavior in future.

From any country, when workers complained about working during public holidays or overtime hours, PUMA engages with the factory management, so the production schedule was adjusted. Furthermore, PUMA provided training to these factories on working hours management, and a root cause analysis to prevent excessive overtime.

Most workers' concerns about wages and benefits are mainly due to their misunderstanding about wage and benefit calculations. We ask factories to proactively talk to and train workers on the calculation methods.

Cambodia

Early in 2021 we received three complaints from one of the local unions in Cambodia and one case is still pending. The allegations were about a potential breach of freedom of association rights. We worked to find the best solution related to these concerns, facilitating mediation meetings between worker representatives and factory management, partnering with Better Work Factory Cambodia and/or with other brands producing in the same factories.

In 2021 PUMA partnered with Better Factories Cambodia to provide a customized workshop for factory management, shop stewards and union representatives. 109 participants from 20 factories attended the training.

The training covered:

- Rights and obligations of employers, unions and worker representatives and workplace relations
- Employment contract termination, resignation, dismissal, retrenchment as per Cambodian labor law, and policies and procedures
- Compensation in case of employment contract termination



A survey conducted after the training shows that factories have increased their awareness about resignation, retrenchment, termination process and scenario.

In 2022 we received five issues concerning three Cambodian factories, about a potential breach of freedom of association rights (three out of five are resolved). We worked to find the best solution related to these concerns, facilitating mediation meetings between workers' representatives and factory management, partnering with Better Work Factories Cambodia and/or with other brands producing in the same factories. Two unresolved cases were received in late 2022 and we are still following up on them. In 2023 PUMA plans to work with Better Factory Cambodia to once again provide a customized workshop to factory management, shop stewards and union representatives.

CASE STUDIES

Cambodia

In late October 2022, we were contacted by Voice of Democracy, a news outlet in Cambodia, which said that nine leaders and activists of Independent Trade Union Federation (INTUFE) at a Cambodia factory were terminated after union elections. The organization called on PUMA to intervene and ensure workers' rights and freedoms to organize the union were respected. PUMA played a role in organizing meetings with the factory and the union to start several close dialogs. The factory reached a mutual agreement with the nine workers. The factory's management has now joined the ILO's Better Factories Cambodia program and a program on industrial relations, both of which will help the management improve the social dialog at the factory.

Pakistan

In September 2022 we received an e-mail from UK-based media, asking for PUMA's comments on the allegations made by the female employees of a factory in Pakistan. It was alleged that the managers of the factory were leaking the contact details of young female workers to other male colleagues without their consent and these female workers received inappropriate messages. In addition, there were allegations about unpaid wages during the COVID-19 pandemic. An unannounced investigation by a third party immediately took place in the same month. The auditor concluded that no wages were deducted during the pandemic, but confirmed some inappropriate behavior towards three female workers occurred in July 2022. The factory has already acted and dismissed the concerned supervisor in August 2022. Female workers interviewed during the investigation confirmed such cases did not happen anymore. In October 2022 the factory management agreed to take further actions to prevent similar cases from happening in the future, such as limiting access to personal contact information of employees to HR personnel only. An anti-harassment committee headed by female HR personnel was formed. 100% of committee members were trained in handling grievance cases. 100% female as well as male employees were given awareness training on harassment and abuse, reporting channels and the consequences or penalties of violating the anti-harassment policy. Awareness sessions are continuing as planned and are recorded accordingly.



All issues identified during our auditing and hotline activities are classified as zero-tolerance issues (such as child labor or forced labor), critical issues or other issues in our [handbook](#).

As the name implies, zero-tolerance issues lead to the immediate failure of an audit. If these issues are reported for a new factory, the factory will not be allowed to produce PUMA goods. Established suppliers must remedy all zero-tolerance issues immediately by conducting a root-cause analysis and implementing preventive measures to avoid the issue from reoccurring in the future. As a last resort, business relationships will be terminated if the factory fails to cooperate. Other issues are also followed up on by our compliance team.

During 2022 we identified 12 zero-tolerance issues and were able to remedy seven on workers' compensation in line with legal requirements, lack of transparency and illegal wastewater discharge. Five factories were deactivated in 2022. The increase in number is due to the increased number of factories audited in 2022.

T.08 ZERO TOLERANCE ISSUES (ZTIS)

Country	2022	2021	2020
Bangladesh	3	2	4
Cambodia	1	2	0
India	3	0	0
Vietnam	2	0	0
Malaysia	1	0	0
Philippines	1	0	0
Spain	1	0	0
Total	12	4	4

“As a partner since 2013, PUMA has signed up to Better Work's vision of a more transparent, inclusive, and ethical industry. As a joint programme between the UN's International Labour Organization and the International Finance Corporation, a member of the World Bank Group, Better Work brings diverse groups together – governments, global brands, factory owners, and unions and workers – to improve working conditions in the garment industry and make the sector more competitive. Our business partners are a key part of this approach, which also includes evaluating their own purchasing practices and business behaviour for healthier supply chains. With Better Work, PUMA continues to support their supply chain by encouraging factory ownership and growth, strong worker-management dialogue and promoting decent working conditions.”

ROOPA NAIR
Head of Operations, Better Work



FAIR INCOME

Target description:

- Make sure all PUMA employees are paid a living wage
- Carry out fair-wage assessments including mapping of a specific wage ladder for top five sourcing countries to help improve their wage levels and practices
- Ensure bank transfer payment to workers at all core suppliers by 2022
- Ensure effective and freely elected worker representation at all core Tier 1 suppliers through collaboration with other brands

Relates to United Nations Sustainable Development Goals 1, 2 and 10



KPIs:

- Percentage of average wages compared to minimum wage
- Percentage of workers with permanent contracts
- Percentage of workers with social insurance coverage
- Percentage of workers paid via bank transfer
- Percentage of factories with freely elected worker representation
- Percentage of factories with collective bargaining agreements
- Number of countries with fair wage assessments over the last five years

For the definition of fair wages, PUMA follows the requirements for compensation set out in the [Code of Conduct](#) published by FLA. [The Fair Wage Network](#) conducts wage assessments and evaluates the wage systems of selected factories across 12 dimensions, focusing on five major areas: Legal compliance, wage levels, wage adjustments, pay systems and social dialog and communication.

FAIR WAGES AT PUMA'S OWN ENTITIES

Increasing cost of living is an emerging risk for PUMA. During 2021 we purchased a license for the living wage database of the Fair Wage Network. In 2021 and 2022 we used this database to check the payment of a living wage to all PUMA employees globally. In 2022, our global leadership team implemented performance KPIs - tied to bonuses - related to ensuring PUMA employees earned a living wage. The results of this internal assessment show that globally all regular PUMA employees who are working full time are paid according to a living wage thresholds at regional/city level or above with regards to the Living Wage Adjusted Mean as defined by Fair Wage Network.

Please see [Our People](#) section for further details.

FAIR WAGES IN THE SUPPLY CHAIN

As part of our efforts to ensure fair wage practices at the factories of our suppliers, we have defined the failure to make a full payment of at least the minimum wage a zero-tolerance issue. This means that to be taken on as or to remain active PUMA suppliers, companies must pay minimum wages in full compliance with local regulations. Provisions around the payment of overtime hours and social insurance are also clearly articulated in PUMA's Code of Conduct and are scrutinized regularly based on our Compliance Audit



Program. The performances of PUMA's suppliers on other Fair Wage dimensions are also assessed through field work assessment surveys carried out by the Fair Wage Network.

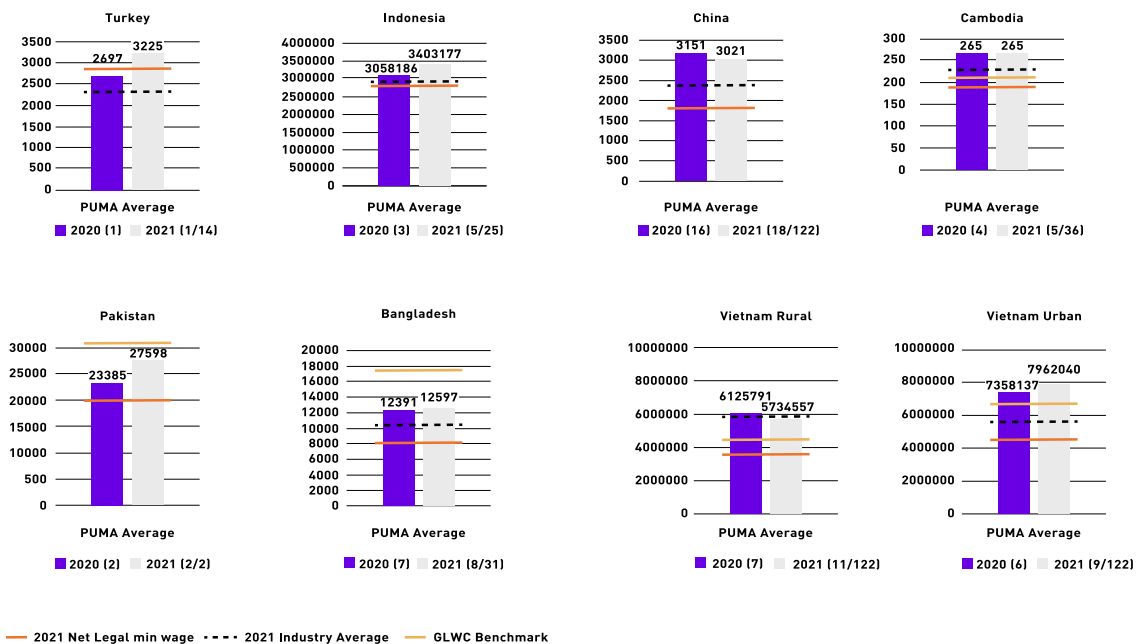
DIGITAL PAYMENT

In 2022, 99.3% of our core factories paid workers digitally, only one out of the 147 core factories have 717 employees who have not yet received their payment digitally. 238,314 employees are now paid digitally.

FAIR COMPENSATION DASHBOARD

At PUMA, we have collected wage data annually from our core Tier 1 factories for several years. We use this data to report S-KPIs (table T. 10). In 2021, we used the FLA's Fair Compensation Dashboard* to analyze 2020 wage data of 46 strategic Tier 1 suppliers and 2021 wage data of 59 in 2022. We use the Dashboard to compare aggregated and anonymized data from industry peers and, where available, against living wage benchmarks of the Global Living Wage Coalition (GLWC). For this purpose, the Anker Methodology** was used.

6.12 FLA FAIR COMPENSATION DASHBOARD 2020 – 2021



* Industry average wage data from FLA Fair Compensation Dashboard from November 2020 and October 2021. Users of the FLA's Fair Compensation Dashboard have access to live anonymized monthly average net wage calculations based on all wage data uploaded per country and year. Averages are updated as wage data is uploaded into the dashboard.

** Anker's living wage methodology: Net Wage = Basic (Contracted) Wage + Cash Benefits + In-Kind Benefits – Mandatory Taxes and Legal Deductions. Payment of overtime is excluded.



The dashboard shows the results of our benchmarking for 59 core Tier 1 factories, in local currency, covering wages in 2021. This data covers approximately 75% of PUMA's global production volume.

All our strategic factories in Vietnam and Cambodia (except for two factories in VN), pay on average a living wage set by the Global Living Wages Coalition to workers. These 23 factories cover approximately 32% of PUMA's production volume and 32% of PUMA's global production value; 70,832 production workers work in these 23 factories.

Our strategic suppliers pay workers clearly above the industry average in all countries for which we have this benchmark.

Our suppliers in Indonesia fell short of the average industry payments in 2020. In 2021 we see an increase of workers' wages above the industry average up to 115% (89% in 2020) of the industry average.

Our suppliers in Pakistan reach 89% (83% in 2020) of the Global Living Wage Coalition Benchmark.

The payments in Bangladesh, despite being above industry average, fall well short of the Global Living Wage Coalition Benchmark and reached 70% of the Global Living Wage Coalition Benchmark (69% in 2020).

In Indonesia, China and Turkey, country-level GLWC benchmarks were not available in 2020 and 2021. In Turkey, the average wage increased by 19,6%, mainly due to the high inflation rate. Vietnam Rural fell by 6% due to the newly reported suppliers being in a lower minimum wage region.

In 2022 we conducted fair wage assessments with seven factories in Bangladesh, Pakistan and Vietnam, and worked on remediation in six factories in Bangladesh, Cambodia and Indonesia.

FAIR WAGE ASSESSMENT

We asked the Fair Wage Network (FWN) to conduct formal fair wage assessments at our core suppliers based in Bangladesh (2018), Cambodia (2019), Cambodia and Indonesia (2021), Bangladesh, Vietnam and Pakistan (2022) in total 21 factories. Out of these 21 factories, six factories obtained a Fair Wage Certificate. Meaning that among the 12 dimensions of fair wage, wage and overtime payment, communication, and social dialog, for example, each certified factory must receive at least 280 out of 400 points with no more than two dimensions below a 40% score.

It was positive that several factories had continued to strengthen some institutional elements, such as wage grids and schemes relating pay to performance. At the same time, similar developments were not always reported on social dialog, with workers' representatives not always involved in wage discussions, and with collective agreements being rarely signed at factory level, something that gives valuable information for follow-up and remediation in these specific factories, but also for our 10FOR25 sustainability targets to ensure our core Tier 1 factories will have freely elected workers' representatives.

Overall, workers' satisfaction with wages and working conditions was found to be relatively good, in average, with 95% workers being either 'fully' or 'partly' satisfied with their wages and 86% workers being either 'fully' or 'partly' satisfied with working conditions.

In 2022 a total of six factories (three in Bangladesh, one in Cambodia and two in Indonesia) which went through a Fair Wage assessment decided to implement a remediation phase with the support of Fair Wage Network.

The FWN team conducted training as part of such remediation process in October 2022 for the two factories' management and workers' representatives in Indonesia. A social dialog round was conducted in 2022, and an agreement between workers' representatives and the management was reached to implement a seniority bonus that was then approved by the Ministry of Labor.



In Bangladesh, a Fair Wage Implementation Committee was formed in each participating factory, consisting of two worker representatives and two management representatives, with the task to discuss and implement internally the different objectives and steps of the Fair Wage Remediation plan.

As a technical support to this remediation process in Bangladesh, two training sessions were conducted by the FWN for the implementation committee members. The first training in August 2022 was on possible improvements on pay systems and wage adjustment mechanisms and also the other Fair Wage dimensions while the second one in January 2023 focused on how to improve the Wage Grid and how to carry out regular Living Wage Survey to better capture workers' living conditions and eventual difficulties. Improvement areas were identified in a corrective action plan. Workers were trained to better understand the factory wage system. We witnessed concrete outcomes, such as more diversified pay systems, an improved dialog between workers and factory management on the topic of wages, even if workers' lack of basic literacy remains a challenge for them to fully understand the wages calculation. In 2023 a living wage survey will be conducted to analyze and determine how to make wages a competitive advantage. The factory wages grid and performance evaluation system will also be reviewed.

In Cambodia the Fair Wage remediation was launched in August 2022. The factory agreed on a remediation plan in October and formed the Fair Wage Committee in November. In 2023 the Fair Wage Network team will organize training programs and follow-ups to implement the remediation plan.

RECRUITMENT FEES

PUMA signed the Fair Labour Association/American Apparel and Footwear Association Commitment to Responsible Recruitment in 2018. Since then we have actively engaged with suppliers, industry peers as well as with the United Nation's International Organization for Migration with the objective to ensure that the labor rights of foreign and migrant workers are upheld in our supply chain.

We map on a yearly basis if our factories employ foreign migrant workers and if any recruitment fees were paid by workers and how much. We then engage with our sourcing leaders, supplier top management, and in some cases other brands this supplier produces for, to come up with an agreement on a timeline to pay migrant workers back. The back payment could in certain cases be made in different installments and not a lump sum to not disturb the factory as not all workers are entitled to this payment, and this could create misunderstandings amongst workers.

PUMA has used e-learning from the International Organization for Migration in employer guidelines. 79 factory representatives from 36 factories from Mauritius, China (Taiwan), South Korea, Thailand and Japan completed this 90 minute English course and were certified in October 2022. The training provided an overview on different migration corridors and economic sectors, from fashion through to electronics and food manufacturing and the risks faced by migrant workers throughout their labor migration journey and what they can do to mitigate and prevent those risks. The e-course provides practical guidance on how to establish sustainable practices to safeguard migrant workers' rights, human rights policies, due diligence processes and remediation systems, and supports businesses to involve migrant workers to create sustainable solutions. Through the efforts of multi-stakeholder engagements, factories paid back more than \$ 100,000 to 255 foreign migrant workers, at six factories in Japan, South Korea, China (Taiwan) and Thailand.

In 2023 we will keep monitoring factories' recruitment practices, and set up training in collaboration with industry peers and the International Organization for Migration for Taiwanese suppliers who employ foreign migrants.



➤ CASE STUDY

Indonesia

Training on social dialog was conducted by the Fair Wage Network team in October 2022 for one apparel and one footwear factory as part of their fair wage remediation plan.

Social dialog took place at both factories and the wage structure was reviewed as the result of dialog with worker/union representatives. Both new wage structures have been approved by the Ministry of Labor and implemented. 53% of workers had around 0.5-1% increase on their basic wage.

China

We partnered with Timeline Consultancy, a China-based consultant. PUMA invited a Chinese apparel factory to implement a nine-month workplace dialog project since July 2018. The project aims to guide factory freely-elected worker representatives, and create a dialog mechanism between them, which eventually improves employee-employer relationships, workers' loyalty and productivity.

In 2022, 100% (217) workers' feedback was provided through worker representatives. Workers' turnover rate reduced from 3.84% in 2019 to 2.62% in 2022, production efficiency rose from 88% (2019) to 92% (2022), and the product qualification rate went up to 98.8% (2022) from 96.5% (2019).

Given the success of the project, the PUMA sustainability China team was trained by Timeline Consultancy in 2021, and we are then able to replicate the project to another five Chinese factories in 2022.

➤ T.09 FAIR INCOME TARGET STATUS

Sub-targets	2022	Baseline 2020	Target 2025
Digital payment (% of core Tier 1 and Tier 2 suppliers)	99.3%	90%	100%
% of workers that are receiving wage payments digitally	99.7%	*	100%
Percentage of core Tier 1 supplier facilities that have trade unions or freely-elected worker representation	48%	33%	100%
Fair wage assessments (Mapping of a specific wage ladder for top five sourcing countries)	4 out of 5	2 out of 5	5 out of 5

* No baseline in 2020

2022 PUMA PLWF REPORT: ADVANCED

The Platform Living Wage Financials (PLWF) is a coalition of 19 financial institutions that engage and encourage investee companies to enable living wages and incomes in their global supply chains. The [2021 PLWF report](#) presents the annual assessments of investee companies on living wage and living income.

PUMA reached the advanced level for its work on fair income.

Most of our core suppliers pay basic wages that exceed minimum wage, 13.4% on average. When adding overtime and bonus payment, this figure increases to 71%. Nevertheless, the percentage of gross wages including overtime and bonuses above minimum wage decreased compared with 2022. Overtime working hours decreased on average 0.65 hours per week in 2022, which influenced overtime compensation. In addition, in-kind benefits such as dormitories provided to domestic migrant workers in China are no longer



included in wages based on the FLA definition update and therefore were excluded this year from the wage calculation.

100% of the workers are covered by social insurance in all countries except for China where 76% are covered. The total average coverage with social insurance increased from 95 to 97%.

This year, we report for the first time on women in managerial positions (49%). Overall, our core Tier 1 suppliers' social performance is steady. The worker turnover rate increases are mostly impacted by four Vietnam factories located in South Vietnam. The fourth wave of the COVID-19 pandemic broke out in Vietnam around the beginning of May 2021, with new fast-spreading and complicated variants developing in many provinces, especially in those with key economic zones. Southern Vietnam was seriously affected by social distancing regulations with production and business operations interrupted for approximately four months, from July to October 2021. However, after October 2021 when the COVID-19 situation was well-controlled, most factories re-started operations leading to massive recruitment.

The permanent worker percentage decreased slightly, mainly due to a large factory, which has opened a new workshop for another brand and recruited more than 1,000 employees in 2022. New workers are considered temporary during their probation period.

"PUMA started carrying out Fair Wage assessments among its suppliers in different markets already few years ago. Through this systematic process that included remediation activities it succeeded to increase the number of suppliers being certified as Fair Wage employers and thus to progressively increase the percentage of its supply chain concerned. This also brings coherence with PUMA's wage policy for its own employees."

DANIEL VAUGHAN-WHITEHEAD
Co-Founder and Chair, Fair Wage Network



➔ T.10 SOCIAL KPIS PUMA CORE TIER 1 FACTORIES 2019-2022

KPI	SOUTH ASIA		SOUTHEAST ASIA					EMEA	2022	2021	2020	2019
	Bangladesh	Pakistan	China	Cambodia	Indonesia	Philippines	Vietnam	Turkey	Average			
Gross wage paid above minimum wage excluding overtime and bonuses (%)	20.1	33.8	6.7	6.7	0.9	0.0	31.5	7.8	13.4	14.5	13.0	17.6
Gross wage paid above minimum wage including overtime and bonuses (%)	67.0	41.3	188.5	68.1	44	20.5	116.4	22.1	71.0	80.2	54.7	73.1
Workers covered by social insurance (%)	100.0	100.0	76.0	100.0	100.0	100.0	100.0	100.0	97.0	95.1	95.6	93.6
Overtime (hours per week)	11.1	0.5	17.2	7.6	6.6	6.6	7.5	4.2	7.7	8.3	5.4	7.1
Workers covered by a collective bargaining agreement (%)	0.0	0.0	95	40.0	40.0	0.0	100.0	0.0	34.4	37.2	26.9	25.4
Female managerial position (%) *	6.5	6.4	56.8	60.4	77.0	70.6	71.2	43.6	49.1			
Female workers (%)	41.5	8.9	61.9	82.8	87.5	64.0	75.4	58.3	60.0	59.5	58.8	59.4
Permanent workers (%)	100.0	100.0	31.5	51.1	93.5	74.1	43.2	100.0	74.2	75.5	74.4	69.1
Annual turnover rate (%)	43.5	24.0	53.6	42.2	21.4	19.5	50.7	29.9	35.6	34.0	29.9	38.2
Injury rate (%)	0.6	0.0	0.3	0.4	0.2	0.2	0.1	0.3	0.3	0.3	0.4	0.5
Number of suppliers	10	2	20	5	5	1	21	1	65	63	58	59

Data received from 65 PUMA core suppliers representing 77.1% of 2022 production volume, 80.4% of 2022 production value; reporting period for data collection: November 2021 – October 2022

* New KPI



HEALTH AND SAFETY

Target description:

- Zero fatal accidents
- Reduce accident rate to 0.5 at PUMA and at suppliers
- Building safety operational in high-risk countries*

Relates to United Nations Sustainable Development Goal 3



Examples of the 10FOR25 action plan:

- Expand building safety projects to include Indonesia
- Ensure professional risk assessments are conducted regularly

KPIs:

- Number of fatal accidents at Tier 1 and Core Tier 2 factories
- Average injury rate at PUMA
- Average injury rate at Core Tier 1 suppliers
- Number of factories subject to our Building Safety Assessment Program

Ensuring safe working conditions for our own employees and hundreds of thousands of indirect employees at our manufacturing partners is an ethical imperative, but also makes good business sense. In 2015 we set a target of zero fatal accidents and aimed to reduce the number of work-related accidents. In 2021 we revised our suppliers OHS handbook, requiring them to conduct an OHS risk assessment and we published the PUMA OHS policy for our own employees.

HEALTH & SAFETY AT PUMA'S OWN ENTITIES

At the headquarters level, we operate an occupational health and safety committee, which includes a specialized labor physician, a health and safety technician and employee representatives.

In 2022 we asked our larger subsidiaries to start their own health and safety committees at country level.

Since 2015 we have been able to record zero fatal accidents at our own entities. We also kept the lost time injury rate below 0.5 since 2019, meaning that per 100 full-time employees, less than 0.5 accidents were recorded.

In 2022 this target was supported by further rolling out our Occupational Health and Safety e-learning. Over 15,000 PUMA staff members participated in health and safety training to prevent injuries or work-related negative health effects.

In addition, we are offering sports facilities, canteens with balanced food and work-life balance courses at our major offices globally.

For more information on employee wellbeing please refer to the [Our People](#) section of this report.

* High risk countries are defined by building safety index which is based on instances of non-compliances associated with building approval, multi-tenants building, structural integrity, ventilation/ heating, and warehouse related.



HEALTH & SAFETY IN THE SUPPLY CHAIN

Apart from our ongoing auditing program that includes occupational health and safety assessments, we implement our Building Safety Assessment Program in countries where we identified risks. We also set up professional risk assessments at all our major manufacturing partners. Despite these preventive measures, in 2022 unfortunately two employee deaths resulted from work-related accidents in Bangladesh in two different factories. We will keep our focus on Occupational Health Safety accident prevention.

SUPPLIER TRAINING ON OHS RISK ASSESSMENT

In 2021 we updated our OHS Handbook to provide guidance on processes and tools for OHS risk assessment to the factory management and OHS person in charge. We trained our core Tier 2 factory management on how to perform an OHS risk assessment.

In 2022 OHS Risk Assessment Training was conducted for 404 participants from 170 core Tier 1 and Tier 2 factories, focusing on the importance of OHS risk assessments, main elements of such an assessment and PUMA's expectation on OHS management in general. Following the training, our suppliers conducted their own risk assessment. We followed up on progress with an on-site visit by a third-party auditing company. Overall core Tier 1 factories had an injury rate of 0.3 in 2022. However, suppliers' knowledge still needs to be further strengthened, so we will keep our focus on OHS risk assessment training in 2023.

BUILDING SAFETY ASSESSMENTS

From 2015 to the end of 2022, our Building Safety Assessment Program covered Bangladesh, India, Indonesia and Pakistan.

➤ T.11 BUILDING SAFETY ASSESSMENT PROGRAM

Country	Number of factories	Comments
Bangladesh	26	Part of our ongoing membership of the Bangladesh Accord
India	6	In partnership with AsiaInspection or Elevate
Indonesia	3	In partnership with AsiaInspection
Pakistan	4	In partnership with Elevate

A safe workplace is a top priority at PUMA and we continuously carry out building safety inspections among high-risk factories in our supply chain. In 2021 we were able to conduct the structural/fire/electrical safety inspection at three suppliers from Pakistan and India. Two of them have been assessed in the past; we saw improvements in electricity safety, however, structural safety findings increased due to the extended audit scope. In 2022 we conducted the structural/fire/electrical safety inspection at four suppliers in India. One of them was assessed in 2021 under the same criteria, and we saw improvements in electricity and fire safety. Another three were inspected more than five years ago, while the inspection criteria cannot be compared. Moving forward we will follow up with these factories on their remediation.

None of our suppliers have been involved in any structural building safety incidents or factory fires since 2015.

Our factories under the ACCORD program in Bangladesh have a completion rate (initial findings) of 91%, the same as the average rate of all factories that are under this program. Nine out of 26 ACCORD active



factories achieved 100% remediation of the initial findings. Another 9 factories achieved more than 90% remediation of the initial findings.

The three factories that were assessed in Indonesia are in the process of obtaining building safety certificates from the government. One factory has already obtained it.

ACCIDENTS

In 2022 we recorded two factory employee deaths resulting from work-related accidents in Bangladesh in two different factories.

One store loader dropped a 20 kg fabric bundle mistakenly through an emergency window, while a worker was walking underneath. The fabric bundle hit the side of the carton the worker was carrying, causing him to fall and sustain fatal injuries.

A worker from the maintenance department was electrocuted in the generator room causing him to fall and sustain fatal injuries.

Both factories paid the legal compensation to the worker's family. PUMA collaborated with Better Work Bangladesh for joint monitoring and regular follow up on the actions taken to prevent future occurrence of such accidents. We deeply regret these tragic accidents.

T.12 INJURY RATES AT CORE SUPPLIERS

Country	2022	2021	2020	2019
Bangladesh	0.6	0.5	0.4	0.3
Cambodia	0.4	0.3	0.2	0.5
China	0.3	0.3	0.6	0.5
Indonesia	0.2	0.2	0.2	0.2
Vietnam	0.1	0.1	0.2	0.3
Average*	0.3	0.3	0.4	0.5
Fatal accidents**	2	0	0	0

* Average of the five countries included in this table. Global average injury rate for PUMA's core suppliers in 2022 was 0.3.

** Including non-core suppliers.

As we believe that the health and safety of the people working for PUMA and in PUMA production always come first, we will continue to work with our own entities and suppliers to avoid disease and accidents.

Early 2023, PUMA joined the Employment Injury Scheme (EIS) pilot in Bangladesh, driven by German Development Agency (GIZ) and ILO.

In cases of work-related accidents, the EIS Pilot provides income replacements for the permanently disabled and the dependents of deceased workers, covering all factories contributing to the export-oriented ready-made garments (RMG) sector. This takes the form of periodical payments/pensions as top-ups for the lump-sum payments of the Central Fund, rendering the level of benefits compatible with ILO Convention No. 121. These payments are financed on a voluntary basis by international brands.



The **EIS Pilot** also includes a data-gathering and capacity-building component on occupational accidents, diseases and rehabilitation, based on a sample of approximately 150 representative factories. This will enable us to assess, based on reliable data, the feasibility, viability and cost efficiency of a comprehensive EIS in Bangladesh. The data-gathering and capacity-building component will thus ensure the affordability of employer contributions.



ENVIRONMENT

The purpose of our environmental efforts is to ensure that PUMA and its suppliers are in full environmental compliance and any negative impact on the environment is minimized. Over the last 10 years, PUMA did not incur any environmental violations or fines known to us. Ultimately, we are aiming for a positive environmental impact of PUMA and our supply chain on the environment.

ENVIRONMENTAL MANAGEMENT AT PUMA'S OWN ENTITIES

We conduct energy efficiency audits every four years at our own entities with the next audit cycle coming up in 2023. Compulsory in the European Union, these audits help us identify energy-saving opportunities at our offices, stores and warehouses and roll them out on a global basis.

In 2022 we went a step further and achieved an ISO 14001 Environmental Management certification for our headquarters and published a stand-alone environmental policy. We also compiled an environmental handbook specific to our own offices, stores and distribution centers, which was published in early 2023. We continued our global data collection and management for our own entities and set up a quarterly subsidiaries call to allow for peer learning and good practice sharing. These calls are also used to re-emphasize our sustainability strategy and goals with our PUMA countries worldwide.

The progress towards those goals is reported in the individual chapters of this report.

ENVIRONMENTAL MANAGEMENT IN THE SUPPLY CHAIN

As far as our suppliers are concerned, our PUMA compliance audits (detailed in the [Human Rights](#) section) contain a dedicated section on environmental and chemical compliance. For example, during each audit we inspect environmental permits, waste management, and effluent treatment plants.

PUMA has moved from individual brand chemical and environmental audits to the use of industry-wide tools, such as the Higg Index Facility Environmental Module (FEM) 3.0. PUMA requires an annual external verification of the self-assessment FEM modules. This external verification may be completed by approved verifiers from PUMA's internal team, other credited brands, or third-party organizations on the approved list from SAC. 100% of verification inspections are announced.

PUMA's Environmental Performance Rating System is based on the ratings developed from the factories' Higg FEM scores verified by SAC approved verifiers: A, B+, B-, C and D. The minimum passing grade from the environmental perspective is 40% (i.e., only A, B+ and B- ratings are passable) and C and D are failure ratings. This rating system was presented during supplier and sourcing team meetings in 2020 and was implemented gradually during 2022. Our environmental handbook has been updated accordingly. This rating system was included in our vendor supplier scorecard along with social and chemical ratings.

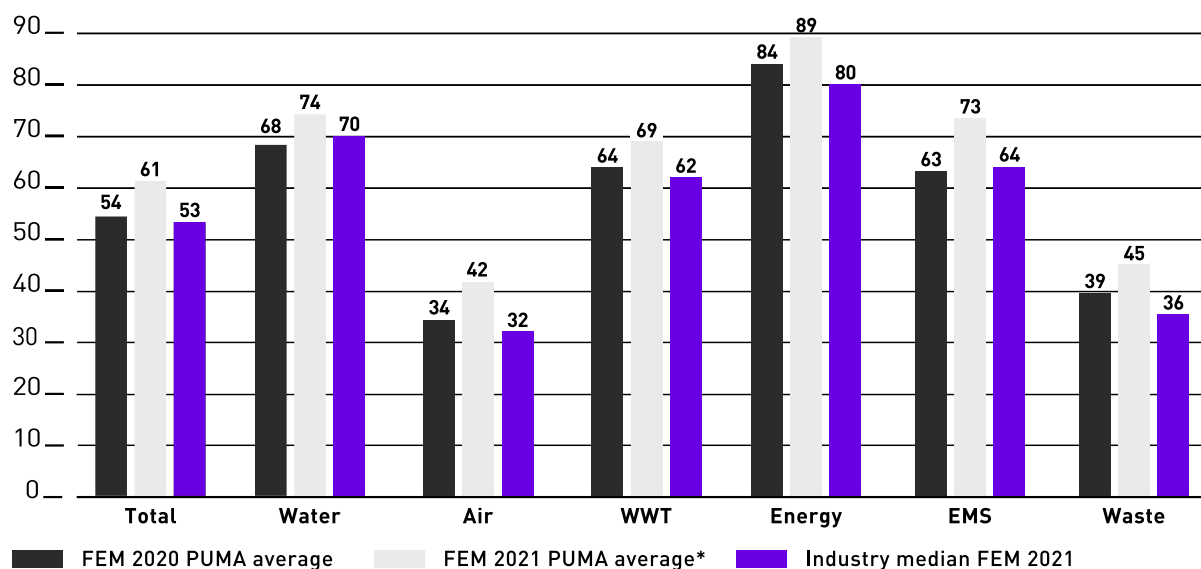
**➤ T.13 NUMBER OF FACTORIES WITH FACILITY ENVIRONMENT MODULE (FEM) VERIFIED SCORE**

Number of factories with FEM verified score	2022			2021		
	Core T1	Core T2	Core L&P*	Core T1	Core T2	Core L&P*
A	8	10	2	5	3	1
B+	25	25	1	21	23	5
B-	30	22	7	27	24	4
C	2	8	2	12	17	1
D	0	0	0		2	1
Total	65	65	12	65	69	12
Number of factories	142**			146		

* L&P: Labeling and packaging

** Out of a total of 147 core factories targeted for FEM, 142 factories have completed verification

Further data on the environmental performance of PUMA and our suppliers can be found in the [Climate](#) and [Environmental KPI](#) sections.

➤ G.13 AGGREGATED VERIFIED FEM SCORE FOR PUMA FACTORIES BENCHMARKED WITH INDUSTRY

* Verification in 2022 is for FEM 2021; Verification in 2021 is for FEM 2020

FEM 2020 PUMA average: 146 factories

FEM 2021 PUMA average: 142 factories

Industry median FEM (5,889 factories): Filer used industry sector (Apparel, Footwear, Accessories includes handbags, jewelry, belts, and similar products) and Facility Type (Final Product Assembly, Printing, Product Dyeing and Laundering, Material Production including textile, rubber, foam, insulation, pliable materials)



The Higg FEM assesses:

- Environmental Management Systems
 - Energy use and greenhouse gas emissions
 - Water use
 - Wastewater
 - Emissions to air (if applicable)
 - Waste management
- Chemical Management (FEM chemical module is explained under the [Chemical](#) section of this report)

Since 2020, we have communicated to our core factories our expectation to improve their score by setting up annual goals and using our new grading system. In 2021 and 2022 we facilitated training sessions conducted by FEM experts. This training was compulsory for low-performance factories to attend and for those not familiar with this industry tool. Then we closely monitored to make sure the factories would complete the verification of their self-assessment in a timely manner.

During 2022 we organized customized training sessions by FEM experts. The training sessions focused on how to improve Higg FEM scores on low performing areas for each region, preferably in the local language. We also facilitated entry level training sessions for factories that are new to Higg FEM.

In 2022 we continued our journey with Higg FEM for our core Tier 1 and Tier 2 factories. Out of a total of 147 core factories targeted for FEM, 142 factories have completed verification of their FEM entries of 61%. Two core factories were not in scope since one factory relocated and did not have any 2021 data to complete its FEM. Another factory closed in September 2022.

We have set a target to achieve a 10% increase of the average verified score from 2021 (the goal was to reach 59% FEM score). We exceeded this target by achieving an average FEM score of 61%. It's not only the average score, but improvements are also visible in all the sections of Higg FEM as compared to last year. The PUMA average FEM score is higher than the industry median in each section.

As in 2021, we continued our close tracking of factories in 2022, to ensure the factories would complete their verifications in a timely manner. We saw the positive impact of our continued efforts to scale up cleaner production and renewable energy projects, climate action training, chemical projects, chemical management training and wastewater treatment training on the FEM scores of factories which had joined these programs. For 2023 we have communicated a goal of an average FEM score of 64% to core suppliers.

Overall, our core factories have a score above 60% on wastewater, water, greenhouse gases and energy, and environment management systems. This is aligned with our focus and work for many years – the highest score increase is in the setting of targets and improvement plans.

We see topics like chemicals, air and waste as a key focus. In 2021 we conducted a risk assessment for chemical and waste and identified actions to be taken in the coming years. PUMA, as one of the signatory brands under ZDHC, follows up closely on the development and the progress of ZDHC air emission standards and guidelines and will apply in the supply chain as applicable, once details are available.

In 2022, for the first time at PUMA, we rolled out FEM/Facility Environmental Foundation (FEP) to non-core factories in our top three sourcing countries (Vietnam, China and Bangladesh) and the factories which are participating in the PUMA Vendor Financing Program. The purpose is to create a supplier scorecard, not only for our core factories, but also for non-core factories. A total of 66 factories were selected, out of which 49 factories followed the FEM route, while 17 factories adopted the FEP route, which is a lighter version of FEM. Out of 49 FEM factories, 47 have completed verification and out of 17 FEP factories, 16 have completed verification. Notably, most of our non-core facilities that had a verified FEM achieved an A or B rating and only 1 factory recorded a D rating.



➤ T.14 SUPPLIER TRAINING

Meeting	Topics	Number of factories	Number of participants
Supplier virtual meetings	Sustainability updates, best practices sharing, etc.	Average 496 per round (3 rounds)	Average 1,160 per round (3 rounds)
Higg FEM training	For core factories to understand how to complete the Higg FEM module correctly	157	209
Sustainable material (TE, GRS/RCS training)	Guiding suppliers who produce products with recycled content for PUMA on how to apply relevant certificates	54	334
eKPI collection training	For core factories how to correctly fill in the environmental data	186	252



CLIMATE

Target description:

Existing science-based CO₂ emission target:

- Reduce greenhouse gas emissions from PUMA's own entities (Scope 1 and 2) by 35% by 2030 compared to the 2017 baseline (absolute reduction)
- Reduce emissions from PUMA's supply chain (Scope 3: Purchased goods and services) by 60% relative to sales
- New science-based CO₂ emissions target (submitted for approval by SBT coalition)

Additional 10FOR25 targets

- Align PUMA's CO₂ emissions target with a 1.5-degree scenario (that is, what is required to limit global warming to 1.5 degrees)
- Move 100% of PUMA's own entities to renewable electricity
- Expand the use of renewable energy at PUMA's core suppliers to 25%

Relates to United Nations Sustainable Development Goals 7 and 13

7 AFFORDABLE AND CLEAN ENERGY



13 CLIMATE ACTION



Examples of the 10FOR25 action plan:

- Work with industry peers on climate action through the Fashion Industry Charter for Climate Action and the Fashion Pact
- Join industry-level energy efficiency programs for suppliers in our top five sourcing regions
- Join industry-level programs for renewable energy in our top five sourcing regions
- Replace all coal-fired boilers at PUMA's core suppliers
- Reduce emissions from the transport of goods by transitioning to more carbon-efficient modes of transport
- Gradually transition to materials with a lower carbon footprint such as recycled polyester
- Switch all PUMA offices, stores and warehouses to renewable electricity tariffs or renewable energy attribute certificates
- Gradually move PUMA's fleet vehicles to alternative engines (electric or hydrogen)

KPIs:

- Direct CO₂ emissions from own entities (Scope 1*)
- Indirect CO₂ emissions from own entities (Scope 2*)
- Indirect CO₂ emissions from manufacturing, business travel and transport of goods (Scope 3*)
- Percentage of core suppliers covered by energy efficiency programs
- Percentage of core suppliers covered by renewable energy programs
- Percentage of core suppliers with coal-fired boilers (Tier 1 and Tier 2)

* The GHG Protocol Corporate Standard classifies a company's GHG emissions into three scopes:

- Scope 1: Direct GHG emissions from sources that are owned or controlled by the company (offices, stores, warehouses) e.g., office building heating, car fleet emissions.
- Scope 2: Indirect GHG emissions from the generation of purchased electricity, steam and heating/cooling consumed by the company
- Scope 3: All other indirect emissions not covered in Scope 2, such as extraction and production of purchased materials; transportation of purchased goods and use of sold products and services, business travel, employee commuting, etc.



During the UN Climate Conference in Paris in 2015, PUMA agreed to set a science-based CO₂ emissions target. In 2018 PUMA co-founded the Fashion Industry Charter for Climate Action, an industry-wide coalition which aims to align the fashion industry's emissions with the targets included in the Paris Agreement.

One year later, PUMA agreed and published its science-based emission target (SBT) with the [SBT Coalition](#) and joined the Fashion Pact, which also includes a climate action commitment.

During 2022 we revised our existing science-based greenhouse gas reduction target and aligned the target with a 1.5-degree scenario. We also published a net zero target for 2050 and added a 100% renewable electricity target to our SBT proposal since we already committed to net zero GHG emissions and 100% renewable electricity as part of our Fashion Industry Charter for Climate Action engagement. Our updated science-based target was developed in 2022 and formally submitted to the SBT Coalition in January 2023.

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.

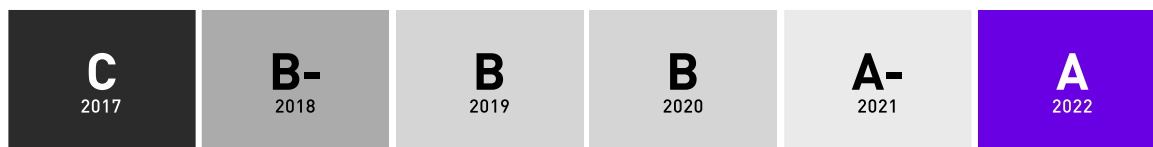
2022 PUMA CDP CLIMATE SCORE: A

The Carbon Disclosure Project (CDP) is an investor-led coalition that ranks global companies and cities for their climate strategies and disclosure. PUMA has been a long-term participant in the CDP, and we make our answers to the CDP questionnaire publicly available via the CDP website. In 2022, for the first time in PUMA's history, we received an A score for our climate disclosure with CDP for the reporting year 2021.

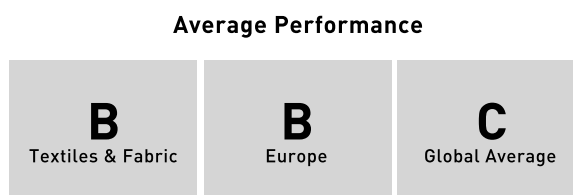
* The target boundary includes land-related emissions and removals from bioenergy feedstocks



➤ G.14 PUMA CDP CLIMATE SCORES



➤ G.15 2021 CDP INDUSTRY AND GEOGRAPHICAL AVERAGE



PUMA's rating is better than the average performance of the sector (textile and fabric goods) with an average rating of B. The overall global average rating stands at C.

In 2022 we made significant improvements in value chain engagement, Scope 3 emissions, risk management processes and risk disclosure, leading to the highest possible rating of A. During 2021 our score increased compared with 2020 as a result of a host of initiatives taken, including facilitating climate training programs for our suppliers, the participation of our suppliers in industry-wide resource efficiency and renewable energy programs, participation in Higg FEM, the recalculation of Scope 3 emissions, in line with the greenhouse gas protocol, a 12% reduction in absolute Scope 3 emissions from purchased goods and services, life cycle assessments (LCA) of our products, the preparation of a climate roadmap for 2030 and a risk assessment.

The Taskforce for Climate Related Financial Disclosures (TCFD) is an international financial initiative, aiming at more transparency between companies and investors on climate related topics. Since the Carbon Disclosure questionnaire is aligned with the recommendations of TCFD, PUMA, with its A CDP rating, also reports on TCFD principles through its public answer to CDP. Further information on TCFD is given below.

For more information, please visit the PUMA sustainability [website](#) or the CDP [website](#).

CLIMATE ROADMAP AND RISK ASSESSMENT

ROADMAP

In 2021 we developed a climate roadmap and conducted a risk assessment using our risk assessment methodology. We see a regulatory landscape with unfavorable policies for renewables in some countries as a high risk. Furthermore, unstable business in our industry overall can restrain suppliers from investing in technologies and upgrading their facilities with low carbon machinery.

Below are key focus areas for the coming years. Some actions were taken in 2021 and continued in 2022 and are reported in this report.



- **Raise awareness:** We see the need to increase internal awareness and have developed e-learning courses on climate action for our staff. We have already started to train 50 sourcing leaders. We will continue to conduct further basic GHG accounting for suppliers. We realized that suppliers need specific training to achieve the ambitious renewable energy targets and the challenges vary from region to region. We facilitated certain training programs in partnerships with industry experts depending on the need of the supplier to address the specific challenges in their regions. Our suppliers continued to attend German Development Agency (GIZ) Climate Training programs in 2022. We collaborated with other brands to nominate our suppliers in Vietnam for the tutor-assisted program.
- **Knowledge of impact:** In 2021 and 2022 we conducted LCAs* of our top five products. We also conducted a comparative LCA of the PUMA RE:SUEDE sneaker compared to our conventional SUEDE. We selected 20 core suppliers to set up science-based targets and developed climate target tools for the remaining core suppliers. Building on efforts in 2021 to set science-based target (SBT) for key suppliers, we conducted a climate investment survey for our top 20 suppliers based on sourcing volume and evaluated long-term business potential with them in alignment with our sourcing leaders.
- **Internal action:** We aligned our Scope 3 calculation with the GHG protocol. Higg FEM overall score and chemical scores are now integrated with the social scores for our vendor scorecard used by our sourcing leaders. We have progressed well to identify a superior data collection platform, which will help provide progress on our climate performance more frequently. We will keep our focus on increasing the use of recycled materials in our products and explore opportunities to use more biosynthetic materials. We submitted a proposal for our science-based targets to be aligned with a 1.5-degree scenario. We continue to enroll more factories in cleaner production programs and renewable energy programs. Out of 20 factories with coal-fired boilers, 14 have already completed feasibility studies to identify suitable alternatives, while four factories are in progress. We remain committed to phasing out coal from our core supply chain.
- **Collaboration and partnership:** We will keep our active engagement in the UN convened Fashion Industry Charter for Climate Action and the Fashion Pact to drive climate actions and influence policy makers for our suppliers to source renewable energy. In 2022 we joined the coal phase out working group under the Charter.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Climate change has been a focus area for PUMA since the publication of the first Environmental Profit and Loss Account in 2011. As a long-term and A-ranked respondent of the investor-led CDP questionnaire and a founding member of the UN Fashion Industry Charter for Climate Action, PUMA has shown its commitment to combat climate change. Subsequently, we recognize the importance of disclosing climate-related risks and opportunities in line with the recommendations of the TCFD.

The success of our business over the long term will depend on the social and environmental sustainability of our operations, the resilience of our supply chain and our ability to manage the potential impact of climate change on our business model and performance.

Through the implementation of the recommendations set by the TCFD, we summarize the actions PUMA has taken to review its key climate-related risks and opportunities, and the potential impacts on its business and strategy.

* The two LCA results are reported under the **Product** section of this report.



GOVERNANCE

The PUMA Board of Management takes overall accountability for the management of all risks and opportunities, including climate change. PUMA's CEO is responsible for the overall oversight of the group's strategy, including the sustainability strategy. This includes climate-related targets as stated in PUMA's 10FOR25 sustainability targets. Besides the oversight of the CEO, PUMA's Chief Sourcing Officer (CSO) oversees all sustainability-related topics at PUMA, including climate change, at the management board level. Responsibilities of the CSO include approving new climate-related targets, strategies and initiatives. Sustainability falls into the scope of the CSO because the vast majority of the environmental impact of PUMA's activity is generated during the manufacturing of our products, which are sourced from independent third-party vendors. Therefore, to reduce our climate impact, our sustainability strategy needs to be driven through our supply chain into our vendors' factories and into the components we reference. The responsibility for these two activities is with the CSO.

The supervisory board sustainability committee is handling sustainability on a supervisory board level. The management board receives updates on sustainability-related matters quarterly, including those related to climate change. The CSO has a monthly meeting with the sustainability leads for corporate and supply chain sustainability in which climate and all other sustainability-related topics are governed. The executive sustainability committee meets twice a year to discuss and govern cross-functional sustainability-related topics, for example, the sustainability bonus targets. It is comprised of all functional heads of the company, such as the global directors for retail, logistics, legal affairs, etc. Sustainability on a product level is governed in a cross-functional business units call, where updates on PUMA's more sustainable product strategy are shared and discussed monthly. To engage with PUMA's worldwide subsidiaries on climate change and other sustainability-related topics, the corporate sustainability department organizes a quarterly call in which the nominated sustainability leads for each PUMA subsidiary take part.

All PUMA leaders globally – from CEO to Team Head level – have clearly defined sustainability targets as part of their annual performance bonus. These targets are aligned with PUMA's Forever Better Sustainability Strategy and focus on our 10FOR25 target areas, including climate change. Climate-related bonus targets include the sourcing of 100% renewable electricity as well as an annual reduction in air freight by 5% from a 2019 baseline. The targets cover 5% of the overall bonus, with climate-related targets accounting for 1.25%.

Our sustainability governance structure is referenced in [Sustainability Organization and Governance Structure](#) section.

STRATEGY AND RISK MANAGEMENT

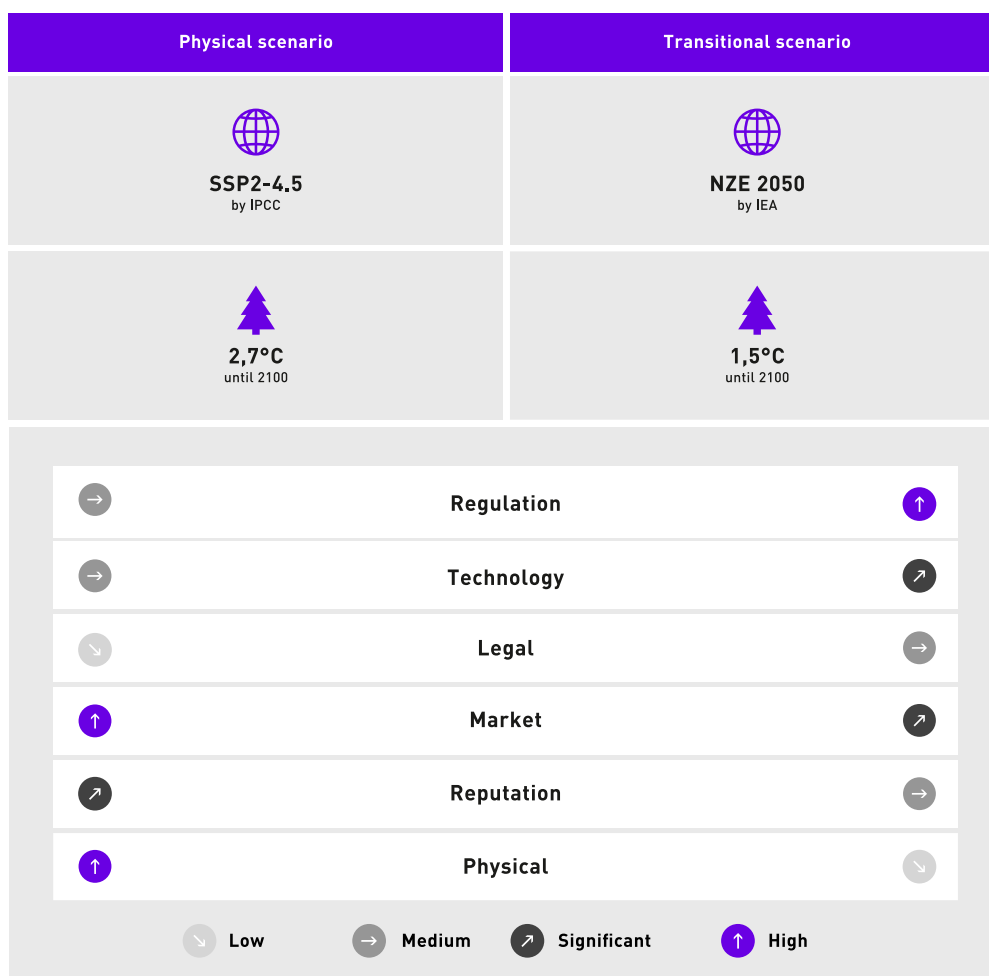
PUMA has analyzed risks and opportunities related to climate change for over 10 years and identified climate change as a material risk to PUMA during its last materiality analysis conducted in 2018. It has the potential to impact PUMA's business in the short (0-2 years), medium (2-5 years) and long term (5-10 years). The climate-related risks can be grouped into physical risks and transitional risks. 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.

The process for assessing, identifying and managing climate-related risks is the same for all principal risks and is described in the [Risk Management](#) section. All risks are monitored and reported regularly throughout the year by the risk owners, who are the managers of the functional areas and the managing directors of the subsidiaries. The risk owners are also responsible for the operational management of the identified risks. For example, climate risks in relation to manufacturing in the supply chain are managed by PUMA's supply chain sustainability team.



To identify the impact of potential climate-related risks, a scenario-based analysis of climate-related risks was commenced in 2022 (see G.16). The analysis is in line with TCFD recommendations by taking into consideration two different climate-related scenarios: First, to analyze transitional risks, the Net Zero Emissions by 2050 Scenario (NZE) developed by the IEA was considered. This scenario represents the development of a low-carbon economy in line with global warming of 2°C or lower. It was also used to develop our 1.5°C aligned science-based target, which was submitted at the beginning of 2023. Second, the impact of physical risks was assessed using the SSP2 – RCP4.5 scenario. This scenario relies on the Representative Concentration Pathways (RCPs) and Shared Socioeconomic Pathways (SSPs) published by the IPCC and reflects the development of greenhouse gas emissions under current government policies, resulting in warming of about 2.7°C by 2100 (per Climate Action Tracker). The different risk categories shown in G.16 are taken from our CDP 2022 response.

G.16 SCENARIO-BASED RISK ANALYSIS ALIGNED WITH TCFD RECOMMENDATIONS



Climate-related risks and opportunities have influenced PUMA's strategy in multiple areas. The demand for more sustainable products has influenced our product portfolio and sourcing practices to shift towards recycled and/or certified materials. On the supply chain side, PUMA invests in supplier programs focused on energy efficiency and renewable energy to reduce the carbon footprint of its manufacturing process. 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. Within its own operations, PUMA reduces its carbon footprint by sourcing 100% renewable electricity since 2020 and by gradually shifting its car fleet to low- and zero-emissions vehicles.



Climate-related issues also had an impact on PUMA's financial planning. Direct costs have been influenced by ESG-linked supplier financing programs that have been in place since 2016. The program provides access for PUMA suppliers to external financing resources with favorable financing conditions. Additionally, as part of the EU Taxonomy Regulations, PUMA is required to report on capital expenditures that lead to greenhouse gas reductions. PUMA's sales are currently not eligible under the EU Taxonomy Regulation due to the nature of PUMA business (sale of footwear and apparel). In 2022 PUMA identified investments in zero-emissions vehicles and infrastructure such as charging stations to be aligned with taxonomy criteria. The overall taxonomy-aligned investment amounts to EUR 372,460. Further information on EU Taxonomy can be found in the [Reporting in Accordance with the EU Taxonomy Regulation](#) section. Sustainability also influences PUMA's access to capital as it becomes an increasingly important topic for attracting equity and investors. In 2022 PUMA received an AAA rating from MSCI for its sustainability efforts and is listed in the FTSE4Good Index. Our investor relations and sustainability teams are in an ongoing dialog with investors on ESG topics. PUMA maintains a revolving credit facility and one promissory note, which are both linked to the achievements of five ESG targets as defined within our 10FOR25 ESG framework. The targets relate to the sourcing of renewable electricity (climate), sourcing of materials from certified sources (biodiversity), reduction of water consumption at core suppliers (water and air), elimination of plastic bags in stores (plastics and the oceans) and community engagement (human rights).

The results of our scenario analysis are used to ensure the necessary mitigating controls are in place, support PUMA's risk management activities and inform future business strategies. We will update our scenario modelling as more climate data becomes available and reframe the risks and opportunities to PUMA presented by climate change on a regular basis.

METRICS AND TARGETS

PUMA has been measuring and reporting environmental key indicators of its own operations and its T1 and T2 suppliers for many years, including energy consumption, carbon emissions, water consumption and waste management. These are part of the sustainability section of its annual report, which is published annually and reviewed by a third party.

PUMA aligns its reporting on climate-related metrics for recognized standards, including the GHG Protocol. In addition, our 10FOR25 sustainability targets include absolute carbon reductions, renewable energy procurement and manufacturing of more sustainable products. Further information on our environmental KPIs can be found in the [Environmental Key Performance Data](#) section.

Sourcing 100% renewable electricity for all PUMA entities from 2020 is one of the milestones of PUMA's climate change mitigation efforts. For its suppliers, PUMA has a target of sourcing 25% renewable energy by 2025 (2022: 11%). At the beginning of 2023 we submitted our updated near-term SBTs: Reducing absolute Scope 1 and 2 GHG emissions by 90% (market-based*) by 2030 and reducing absolute Scope 3 GHG emissions by 33% by 2030, both from a 2017 baseline year.

- Scope 1 and 2 targets focus on GHG emissions from our direct operations (including electricity and gas consumption at our stores, offices, internal manufacturing and distribution centers)
- Scope 3 targets relate to indirect GHG emissions in our extended supply chain and transportation of finished goods

By the end of 2022, PUMA has already reduced its combined Scope 1 and 2 emissions by 86%, and its Scope 3 emissions from purchased goods and services and transportation by 9%. Our efforts in sourcing more sustainable materials led to 99.8% cotton, 100% leather and 70.4% polyester from recycled or certified sources and 7 out of 10 products being more sustainable in line with our internal definition, as well as reduced our GHG emissions from materials by 32%.

* A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.



As part of the commitment to the UN convened Fashion Industry Charter for Climate Action, and according to PUMA's Environmental Handbook, PUMA declared its ambitions to meet a net zero 2050 goal. PUMA recognizes that meeting its climate-related targets is dependent on collective action and focus. Improving the market conditions for clean energy supply, such as the rate of installation of renewable electricity in many countries, reducing costs and the availability of purchase power agreements will help shift the rate of decarbonization at scale. PUMA believes it has a role in helping to shape the policy and regulation required and is working collaboratively with partners, suppliers and other organizations to achieve its ambition, including the United Nations Global Compact, the UN Fashion Industry Charter for Climate Action, the Fashion Pact and Stiftung Klimawirtschaft. PUMA also signed a joint letter to the Government of Cambodia asking for support to scale renewable energy in the country.

SCOPE 1 EMISSIONS

Our own direct CO₂ emissions (Scope 1) are mainly caused by emissions from our PUMA car fleet and airplane, as well as emissions from the heating of buildings.

We tackle the emissions from our car fleet by gradually transitioning to zero-emission vehicles in those countries where the charging infrastructure is mature enough to support the transition.

Starting in 2023 we will only allow electric vehicles as new additions to our car fleet in the region of Germany, Austria and Switzerland, which includes our Headquarters and 232 cars.

At the end of 2022, 191 out of 719 cars globally were already battery electric or hydrogen fuel cell cars.

We also significantly expanded the charging infrastructure at our headquarters and selected other offices and now have over 50 charging stations in operation, including 12 public charging stations at our headquarter stores that can be used by employees, business partners and customers free of charge.

For the heating of buildings, we use natural gas in 10% of buildings globally and plan to transition these buildings to biogas or other renewable heat sources over time. Many PUMA buildings globally already use (renewable) electricity for heating.

Overall we were able to reduce our Scope 1 GHG emissions by 19% between 2017 and 2022, and plan to reduce these emissions further by 2025.

SCOPE 2 EMISSIONS

PUMA's indirect GHG emissions (Scope 2) are caused by the electricity used for running our offices, stores and warehouses, including the charging of electric cars, as well as thermal energy used from district heating.

Since 2020, we have already moved all our offices, stores and warehouses to renewable electricity via green electricity tariffs or renewable energy attribute certificates. This has led to a significant reduction of our Scope 2 emissions (market-based). In addition, the closure of our stores in Russia, which were mostly heated by district heating, contributed further to the reduction of Scope 2 emissions. At our headquarters, which is by far the largest consumer of district heat among all PUMA entities, the district heat is created in co-generation with electricity and by using over 50% biogas. In total, we were able to reduce our Scope 2 emissions since 2017 by 98% (market-based).

Further actions to reduce PUMA's own greenhouse gas emissions include the use of energy-efficient heat pumps at our headquarters, frequent energy efficiency audits at our stores, a free public transport ticket for employees, job-bike-leasing, a meat-free Monday at canteens and tree-planting exercises as part of our community engagement program.



➤ T.15 SCOPE 1 AND SCOPE 2 CO₂e EMISSIONS FROM PUMA

CO ₂ e emissions ¹⁻⁴ (absolute figures)	2022	2021	2020	2019	2018	2017	% change 2021/2022	% change 2017/2022
Scope 1 – direct CO₂e emissions fossil fuels	6,206	4,456	4,179	6,326	6,918	7,678	39%	-19%
Vehicle fleet	2,264	2,008	1,985	3,618	4,073	4,134	13%	-45%
Heating	1,536	2,039	2,194	2,708	2,845	3,545	-25%	-57%
Airplane*	2,405	410	689	2,359	1,156		487%	-
Scope 2 – indirect CO₂e emissions (location-based**)	35,528	32,545	29,839	40,986	43,366	40,029	9%	-11%
Scope 2 – indirect CO₂e emissions (market-based***)	643	1,458	1,078	11,533	22,128	40,029	-56%	-98%
Electricity (location-based)	34,885	31,087	28,761	39,282	42,145	38,914	12%	-10%
Electricity (market-based)	0	0	0	9,828	20,907	38,914	-	-100%
District heating	643	1,458	1,078	1,705	1,221	1,115	-56%	-42%
Total Scope 1 and 2 (location-based)	41,734	37,001	34,018	47,312	50,284	47,707	13%	-13%
Total Scope 1 and 2 (market-based)	6,849	5,914	5,257	17,858	29,046	47,707	16%	-86%
Scope 1 and 2 relative to sales (t CO ₂ e per € million sales) (location-based)	4.9	5.4	6.5	8.6	10.8	11.5	-9%	-57%
Scope 1 and 2 relative to sales (t CO ₂ e per € million sales) (market-based)	0.8	0.8	1.0	3.2	6.2	11.5	-7%	-93%

* In 2022, Scope 3 Upstream Leased Assets was restructured. Previously, this category included the emissions from PUMA Air Plane and well-to-tank emissions from PUMA Vehicle Fleet. Now, in line with GHG Protocol, emissions from PUMA Air Plane are included in Scope 1, well-to-tank emissions from PUMA Vehicle Fleet are included in Scope 3 Fuel- and energy-related activities and Scope 3 Upstream Leased assets includes the emissions from warehouses in PUMA's value chain that are operated by a third party.

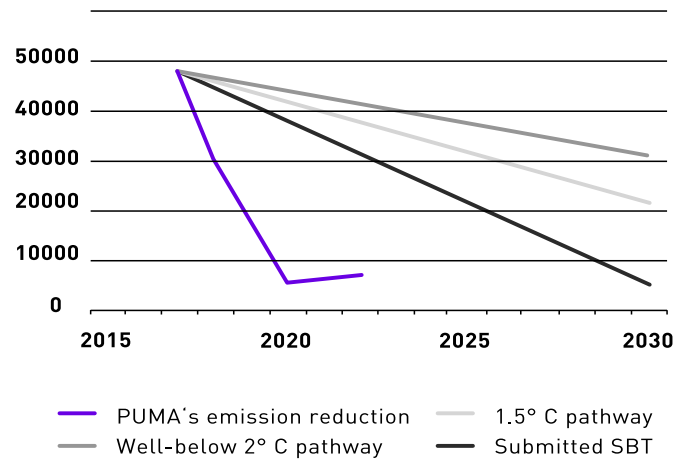
** A location-based method reflects the average emissions intensity of grids on which energy consumption occurs.

*** A market-based method reflects emissions from electricity that companies have purposefully chosen. It derives emission factors from contractual instruments, which include any type of contract between two parties for the sale and purchase of energy bundled with attributes about the energy generation, or for unbundled attribute claims.

1. PUMA's greenhouse gas reporting is in line with the GHG Protocol International Accounting Standard. Fugitive emissions (emissions from unintentional releases or leaks) are not included in Scope 1 emissions.
2. Methodological changes over the last three years have influenced results. In 2020 updated emission factors were applied and the consolidated structure changed due to full alignment with the GHG Protocol.
3. The consolidation scope follows the operational control approach, including PUMA-owned or operated offices, warehouses, stores and own industrial sites (Argentina).
4. PUMA applied emission factors from internationally recognized sources, such as the International Energy Agency (IEA) (2019) and DEFRA conversion factors (2020).



➤ 6.17 AGREED EMISSION TARGETS (SCOPE 1 AND 2*) (T CO₂e) 2022



* Including renewable energy attribute certificates



SCOPE 3 EMISSIONS

T.16 PUMA'S SCOPE 3 CO₂e EMISSIONS FROM SELECTED VALUE CHAIN ACTIVITIES

CO ₂ e emissions ¹⁻⁴ (absolute figures)	2022	2021	2020	2019	2018	2017	% change 2021/2022	% change 2017/2022
Scope 3 – indirect CO₂e emissions from corporate value chain	1,430,690	1,355,633	1,486,324	1,762,087	1,586,229	1,502,162	6%	-5%
Purchased goods and services – Tier 1 suppliers	1,278,758	1,242,468	1,389,335	1,631,904	1,484,935	1,409,265	3%	-9%
Fuel- and energy-related activities*	4,220	3,700	3,463	3,712	5,569	7,433	14%	-43%
Upstream transportation and distribution	127,474	106,983	91,775	107,744	80,143	71,070	19%	79%
Inbound	99,724	85,622	67,842	98,386	74,182	64,076	16%	56%
Outbound**	27,750	21,361	23,933	9,358	5,961	6,994	30%	297%
Business travel (rail and air)	9,439	2,482	1,751	18,727	15,582	14,394	280%	-34%
Upstream leased assets*	10,799						-	-
Total Scope 1-3 (market-based)	1,437,539	1,361,547	1,491,581	1,779,946	1,615,275	1,549,869	6%	-7%
Annual sales PUMA (in € million)	8,465	6,805	5,234	5,502	4,648	4,136	24%	105%
Total Scope 1-3 relative to sales (t CO ₂ e per € million sales) (market-based)	169.8	200.1	285.0	323.5	347.5	374.7	-15%	-55%
Total Scope 3 relative to sales (t CO ₂ e per € million sales)	169.0	199.2	284.0	320.3	241.3	363.2	-15%	-53%

* In 2022, Scope 3 Upstream Leased Assets was restructured. Previously, this category included the emissions from PUMA Air Plane and well-to-tank emissions from PUMA Vehicle Fleet. Now, in line with GHG Protocol, emissions from PUMA Air Plane are included in Scope 1, well-to-tank emissions from PUMA Vehicle Fleet are included in Scope 3 Fuel- and energy-related activities and Scope 3 Upstream Leased assets includes the emissions from warehouses in PUMA's value chain that are operated by a third party.

** In 2020, upstream outbound values were adjusted to fully cover the e-commerce business and exclude B2B express volumes.

1. PUMA's greenhouse gas reporting is in line with the GHG Protocol International Accounting Standard. Fugitive emissions (emissions from unintentional releases or leaks) are not included in Scope 1 emissions.
2. Methodological changes over the last three years have influenced results. In 2020 updated emission factors were applied and the consolidated structure changed due to full alignment with the GHG Protocol.
3. The consolidation scope follows the operational control approach, including PUMA-owned or operated offices, warehouses, stores and own industrial sites (Argentina).
4. Outsourced Tier 1 production is accounted for in the Scope 3 emissions under purchased goods and services, covering CO₂ emissions from all three product divisions (Accessories, Apparel and Footwear).
5. PUMA applied emission factors from internationally recognized sources, such as the International Energy Agency (IEA) (2019) and DEFRA conversion factors (2020).
6. For sea freight transportation, PUMA follows the recommendation and new methodology of the Clean Cargo Working Group that has transitioned from the use of tank-to-wheel (TTW) CO₂ to well-to-wheel (WTW) CO₂-equivalent emission factors for all fuels.



GREENHOUSE GAS EMISSIONS FROM PURCHASED GOODS AND SERVICES

PUMA is determined to reduce its carbon emissions, water usage, waste and air pollution in its offices and in its supply chain. As far as sustainable materials are concerned, PUMA strives to use more sustainable key materials, such as cotton, polyester, leather and cardboard.

The purpose of PUMA's environmental efforts is to ensure that its suppliers are in full environmental compliance and any negative impact on the environment is reduced. Ultimately, our goal is to achieve a positive environmental impact. We ask all our core suppliers to complete the Facilities Environmental Module developed by the SAC.

As far as climate is concerned, PUMA's 10FOR25 action plan includes steps such as:

- Work with industry peers on climate action through the [Fashion Industry Charter for Climate Action](#) and the Fashion Pact.
- Join industry-level energy efficiency programs for suppliers in our top five sourcing regions.
- Join industry-level programs for renewable energy in our top five sourcing regions.
- Replace all coal-fired boilers at PUMA's core suppliers.
- Gradually transition to materials with a lower carbon footprint, such as recycled polyester.

To reduce the emissions from the production of our PUMA goods, we worked with our suppliers on several programs ranging from energy efficiency to installing on-site solar photovoltaic power plants to generate renewable energy.

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 I-RECs. A total of 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.

**T.17 SUPPLIER TRAINING**

Training topic	Country	Trainer	Number of factories	Number of participants
Rooftop solar procurement and mitigating associated contractual risks	Vietnam	Act Renewable	20	46
Rooftop solar procurement & legal framework	Cambodia/ Bangladesh/ Indonesia	Act Renewable	34	64
How to purchase renewable energy	China/Taiwan	Accenture & Envision Energy	59	92
Renewable energy pathway	China/Taiwan	Reset Carbon	67	117
Coal phase-out with biomass transition	Vietnam	Act Renewable	5	10
I-REC virtual workshop	Vietnam/ Cambodia	Monsoon Carbon	58	88

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.

For the first time we launched the Clean by Design (CbD) Program in Indonesia and launched phase 2 of clean by design in the Vietnam and China-Taiwan region.

Our suppliers continue to implement the recommendations of the PaCT program in Bangladesh during this year.

In 2022 eight Tier 1 and three Tier 2 factories were enrolled in the Clean by Design Project in Indonesia, Vietnam, China and Taiwan. In addition to this, 12 Tier 1 and 15 Tier 2 factories participated in various rooftop solar projects.

The values below represent annual savings from completed and ongoing projects from 2019 until the end of 2022:

- GHG reduction: 85,931 tCO₂e per year
- Renewable energy: 186 MW of RE capacity (including offsite wind) added in 2021 and 2022
- Water saving: 2,327,067 m³ per year
- Energy saving: 164,483 MWh per year

**T.18 SUPPLIER CLIMATE ACTION PROGRAMS****Cleaner production programs**

Country	Program/partner	Scope	Number of factories	% sourcing volume (globally)
China-Taiwan	Clean-by-Design(CbD)/aia	Energy and water efficiency	T1:1 T2: 11	
	Low Carbon Manufacturing Program (LCMP)/WWF	Energy and water efficiency	T1: 9	
Bangladesh	Partnership for Cleaner Textile (PaCT)/IFC	Energy and water efficiency	T1: 7 T2: 4	2022 Tier 1 – 67% Tier 2 – 59%
	Clean-by-Design(CbD)/aia, FABRIC/GIZ	Energy and water efficiency, coal phase-out	T1: 8 T2: 3	
Vietnam	Mekong Sustainable Manufacturing Alliance (MSMA)	Energy and water efficiency	T1: 2 T2: 2	Enrolled in 2023 Tier 1 – 74% Tier 2 – 75%
	Greening Textile Program	Energy and water efficiency	T2: 2	
Indonesia	Clean-by-Design (CbD)/aia	Energy and water efficiency	T1: 3	
Mexico	Sustainable energy for all	Energy efficiency	T1: 2*	
Total			T1: 30 T2: 24	

* Non-core factories



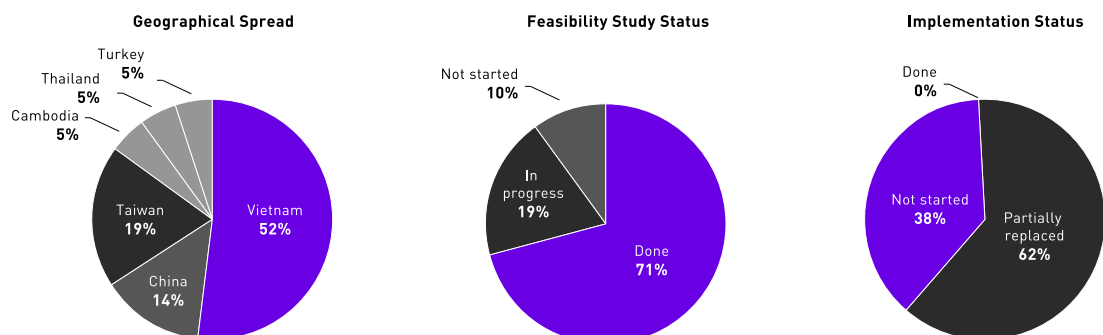
Renewable energy programs

Country	Program/partner	Scope	Number of factories	% sourcing volume (globally)
Vietnam	Project Development Program (PDP)/ GIZ	Rooftop solar	T1: 5 T2: 2	2022 Tier 1 – 62% Tier 2 – 59%
	Self-initiative by factories	Rooftop solar	T1: 5 T2: 8	
	Self-initiative by factories	IRIREC/DPPA pilot	T1: 4 T2: 3	
	Self-initiative by factories	Rooftop solar	T1: 7 T2: 14	
China-Taiwan		Offsite wind, DPPA, I-REC	T1: 3 T2: 9	Enrolled in 2023 Tier 1 – 76% Tier 2 – 75%
Bangladesh	Partnership for Cleaner Textile (PaCT)/IFC	Rooftop solar	T1: 2 T2: 3	
	Self-initiative by factories	Rooftop solar	T1: 3 T2: 2	
	Project Development Program (PDP)/ GIZ	Rooftop solar	T1: 4	
Indonesia	Clean-by-Design(CbD)/aii	Rooftop solar	T1: 3	
Pakistan	Project Development Program (PDP)/ GIZ	Rooftop solar	T1: 2	
Total			T1: 38 T2: 42	

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.

➤ 6.19 COAL-FIRED BOILER PHASE OUT STATUS





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. Out of these 21 factories, 13 factories have started to partially replace coal.

In 2022 PUMA joined the Coal Phase Out Action Group under the UN's Fashion Charter, with an objective to collaborate with other brands to expedite the phase-out of coal in our supply chain. 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.

In 2023 we plan to engage with the remaining six suppliers who have not yet completed the feasibility studies and the remaining eight factories, which have not yet initiated the transition. We also plan to continue tracking factories which are under transition.

Supplier Climate Targets

Science based targets are ambitious and difficult to achieve. Only large suppliers with capacity and top management commitment will be able to succeed. Those suppliers are identified through a readiness survey, climate investment study, long term business potential and in alignment with sourcing leaders. For the remaining suppliers, we plan to implement a simplified target setting system and hence a inhouse tool is developed for these suppliers.

During 2021 we developed two training modules for our core suppliers with the objective of driving climate target setting. One module focuses on the group of suppliers that need to establish science-based targets, and the other is aimed at the group of suppliers that need to establish climate targets based on a simplified tool developed in-house. To identify each group, we conducted a readiness level mapping of core Tier 1 and Tier 2 suppliers with a survey based on the following criteria:

- The supplier works with other brands having similar commitments on climate change.
- The supplier already has ambitious* climate change targets (but not SBT).
- The supplier did/does participate in a cleaner production program.

In continuation of efforts made in 2021 to SBT for key suppliers, we conducted a climate investment survey for our top 20 suppliers and evaluated long-term business potential with them in alignment with our sourcing leaders.

We identified 20 supplier groups, which represent 40-50% of our business volume, for which we will conduct a kick-off meeting to initiate the SBT process in Q1 2023. In this meeting we will briefly introduce the steps to be taken and address the queries and concerns of suppliers. Some of the suppliers, who have already started their journey, will share their experience and learnings.

The meeting will be attended by the senior management and sustainability heads of suppliers, PUMA sourcing leaders, and PUMA's sustainability team.

* Ambitious targets mean those that are in line with Paris agreement scenarios (1.5 degree).



CASE STUDIES

The Shenzhou Group established its science-based carbon emissions reduction targets for its Scope 1 and 2 pursuant to “SBTi Criteria 4.2” in 2021. Therefore, the Worldon factory under Shenzhou in Vietnam started the Roof Top Solar project in June 2022. By October 2022, the Roof Top Solar panels were installed and started operation with full design capacity of 8MWp. The project was implemented in the OPEX module in which the investment is made by a service provider. The renewable electricity generated from the roof top solar system contributes to electricity consumption for the production process at the factory. The total annual renewable electricity generation accounts for 30% of the electricity used at the factory, which leads to greenhouse gas reduction potential of 9,649 tCO₂e per annum.

Far Eastern New Century (FENC) Corporation Kuan Yin Dyeing & Finishing Plant in Taiwan has replaced the conventional dyeing machines with 19 sets of low liquor ratio dyeing machines along with installation of a high-efficiency boiler. With a 2.1% decrease in yearly production volume and a 15% increase in grid electricity prices since summer 2022, the dyeing mill has managed to reduce absolute greenhouse gas emissions by 10%, which is approx. 1,800 tCO₂e. This is a 29% reduction in greenhouse gas intensity as compared to 2021. Their overall energy cost only increased 4.9%. Apart from the greenhouse gas reduction and cost control they have achieved a significant 11.5% reduction in water consumption as compared to 2021, which is an absolute saving of 54,000 m³ of fresh water. This has resulted in less wastewater and hence less sludge from wastewater treatment plants. As a result of this, the mill has reduced 8% solid waste, which is around 84 tons per year.

Realizing the benefit of cooling water which has a high temperature (50-70 degrees Celsius) and is still good quality, our textile fabric suppliers have reused this water for dyeing and washing processes. For example, a fabric supplier located in Vietnam benefited from this initiative to save energy of 6,200 GJ/year as they require less energy to heat water in the dyeing process. Moreover, this initiative saves 3,800 m³ of fresh water every year and the total financial savings are USD 19,000 per year.

The reduction of our Scope 3 emissions at the factory level is complemented by purchases of more sustainable (less carbon-intensive) raw materials. In 2022 we used 70.4% more sustainable polyester, out of which 48% was recycled polyester, 99.8% more sustainable cotton, mainly from the Better Cotton Initiative (BCI) and 100% leather from Leather Working Group medal-rated tanneries. In addition, 99.4% of our paper and cardboard packaging was recycled or FSC-certified paper. By 2025 we aim to use 75% recycled polyester and 100% recycled and/or certified paper and cardboard.

Carbon Footprint & Energy Use

In 2022, we continued our assessment of Scope 3 emissions that come from PUMA's indirect business activities, mainly in the supply chain in line with the Greenhouse Gas Protocol by lifecycle expert company, Sphera.

As in 2021, they conducted a comprehensive assessment of our supply chain emissions beyond Tier 1 manufacturing, including Tier 2 manufacturing of fabrics and components, estimated emissions from T3 suppliers and material production using emission factors from their LCA database known as GaBi database.



➤ T.19 PUMA'S SCOPE 3 CATEGORY-1 CO₂e EMISSIONS FROM SELECTED VALUE CHAIN ACTIVITIES

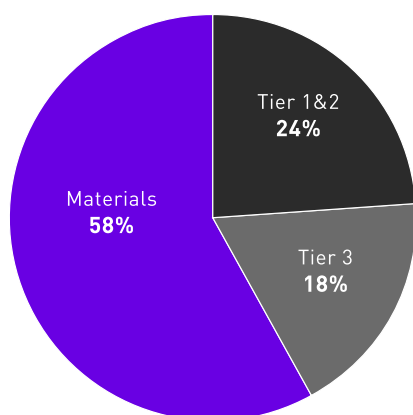
Scope 3 emissions (category -1)	2017 (baseline)	2021	2022	% change 2017/2021
Absolute GHG emissions (tCO ₂ eq)	1,409,265	1,242,468	1,278,758	-9%

Note: Scope 3 category 1 estimation includes GHG emissions associated with goods and services purchased by PUMA from its suppliers related to PUMA products and associated packaging. This excludes emissions associated with other goods and services acquired by PUMA offices, stores and warehouses.

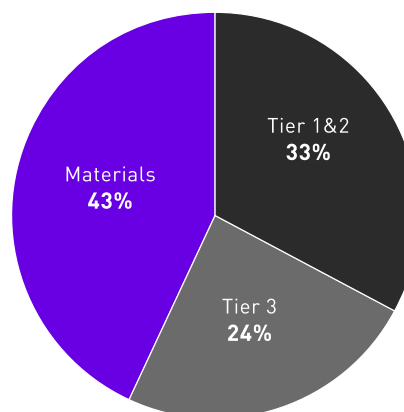
We can see that our absolute scope 3 emissions from the category, purchased goods and services have decreased by 9% from 2017 to 2022, while material consumption has increased by 27% during the same period. Due to energy efficiency improvements and the use of renewable electricity at factory level, as well as the usage of more sustainable materials, our absolute emissions have decreased while our business has grown by 105% as compared to the base year of 2017. Moreover, the initiatives taken by the factories towards the end of 2022 e.g., participation in cleaner production projects, installation of roof top solar etc. will reflect results in coming years. Scope 3, category-1 emissions mainly originate from two sources; the raw materials and the energy consumed by our core Tier 1, Tier 2 and Tier 3 (production of raw material) suppliers to produce finished materials and components as well as finished goods.

➤ G.20 GHG EMISSIONS BY SOURCES

Scope 3.1 Emissions (2017)



Scope 3.1 Emissions (2022)



Energy coming from renewable sources in the supply chain*

The share of renewable electricity sourcing by Tier 1 and Tier 2 suppliers has increased from 0.35% in 2017 to 16.2% in 2022 which marks a 4569% jump in renewable electricity sourcing. Looking at the Tiers in the value chain the share of renewable electricity has increased from 0.18% in 2017 to 4.9% in 2022 by Tier 1 suppliers, while it has increased from 0.74% to a significant 43.2% for Tier 2 suppliers during the same period including I-RECs.

 T.20 SHARE OF RENEWABLE ELECTRICITY AS COMPARED TO GRID ELECTRICITY

Scope 3 emissions (category -1)	2017 (baseline)	2021	2022	% change 2021/2022	% change 2017/2022
Total renewable electricity (kWh)	817,644	14,494,042	64,624,534	346%	7804%
Total grid electricity (kWh)	234,323,351	324,910,084	333,408,508	3%	42%
Share of renewable electricity	0.35%	4.3%	16.2%	280%	4569%
T-1 renewable electricity (kWh)	298,283	11,149,103	13,695,766	23%	4492%
T-1 grid electricity (kWh)	164,904,224	218,804,548	266,321,305	22%	62%
Share of renewable electricity (T-1)	0.18%	4.8%	4.9%	1%	2609%
T-2 renewable electricity (kWh)	519,361	3,344,939	50,928,768	1423%	9706%
T-2 grid electricity (kWh)	69,419,127	106,105,536	67,087,203	-37%	-3%
Share of renewable electricity (T-2)	0.74%	3.1%	43.2%	1312%	5711%

Note:

The total electricity does not include captive electricity generation from fossil fuels such as natural gas, diesel etc. The renewable energy includes I-REC certificates purchased by core leather, polyurethane, textile factories in 2021, but excludes renewable energy sourced by the Tier 2 core factories, e.g. packaging & labelling, trims, footwear bottom and knitted upper

Carbon footprint in the supply chain**

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%.

Absolute GHG emissions from Tier 3 suppliers in 2022 have increased by 21%. 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.

We see opportunities to further scale up cleaner production and renewable energy programs to more Tier 1 and Tier 2 suppliers, and also to launch them at some of the spinners (Tier 3).

* e.g. at manufacturing and processing facilities, fiber production level

** e.g. at manufacturing and processing facilities, textile production

**T.21 GHG EMISSIONS BY SUPPLIERS**

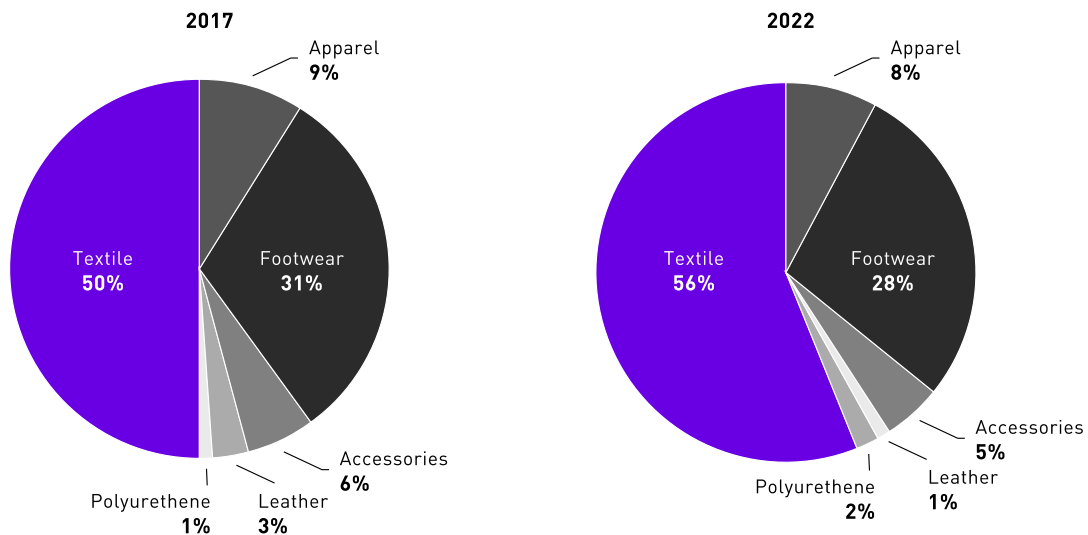
	2017 (baseline)	2021	2022	% change 2021/2022	% change 2017/2022
Absolute GHG emissions from Tier 1 and Tier 2 suppliers (t CO ₂ e)	345,361	358,508	423,762	18%	23%
Tier 3 suppliers (t CO ₂ e)	252,251	284,215	305,869	8%	21%

Note:

Tier 1 & Tier 2 emissions are estimated based on actual energy consumption collected from core Tier 1 and Tier 2 factories and extrapolated to cover all Tier 1 and Tier 2 supplier factories.

Tier 3 emissions are estimated by Sphera by using its GaBi database.

Drilling down into product divisions the absolute emissions are reduced by the leather tanneries by 66%.

G.21 GHG CONTRIBUTION BY PRODUCT DIVISIONS

Note:

T1: Apparel, Footwear & Accessories factories

T2: Leather, textile, polyurethane factories

Carbon footprint at a raw material level

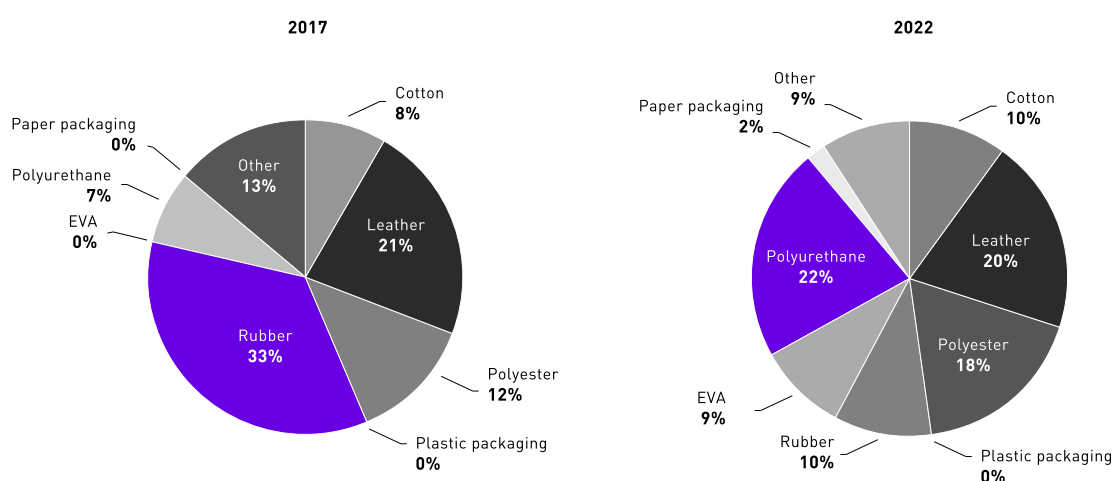
Absolute GHG emissions from raw material consumption were reduced by 32% as the total material consumption itself has increased by 27%. This is achieved due to our continuous endeavour to shift towards more sustainable materials. For example, more sustainable cotton (Better Cotton or recycled) and polyester (recycled, bluesign or OekoText-certified) increased from 40% and 47% respectively in 2017 to 99.8% and 70.4% respectively in 2022.

**T.22 GHG EMISSIONS FROM MATERIALS**

	2017 (baseline)	2021	2022	% change 2021/2022	% change 2017/2022
Total raw materials (T)	158,509	187,101	200,514	7%	27%
GHG emission from materials (tCO ₂ e)	811,654	599,849	549,127	-8%	-32%

Assumptions: During the Scope 3 assessment, it was observed that the material data collection has improved over time and since 2021 we are able to capture the material data comprehensively. For example, for 2017 material data was not available for all types of materials and some material data were incomplete. In the absence of comprehensive raw material data for 2017, material data was extrapolated from 2020. Furthermore, we observed that the polyester consumption data for footwear was exceptionally high for 2020 and possibly erroneously overestimated. Therefore, the polyester data for footwear for 2017 and 2020 was extrapolated from 2019 data.

A breakdown analysis as shown in the chart below indicates that polyurethane (22%) contributes maximum followed by leather (20%) and polyester (18%). The emission share of rubber has significantly reduced from 33% in 2017 to 10% in 2022. The emission share of leather has marginally reduced from 21% to 20%. The analysis for 2022 indicates that we need to focus more on the sustainable alternatives for polyurethane and rubber (92% of the rubber we use is synthetic).

G.22 GHG CONTRIBUTIONS BY MATERIALS

Note:

Other include acrylic, linen, lycra, metals, adhesives, etc.

Leather is natural leather while polyurethane is imitation leather, also known as synthetic leather.



GREENHOUSE GAS EMISSIONS FROM TRANSPORT OF GOODS

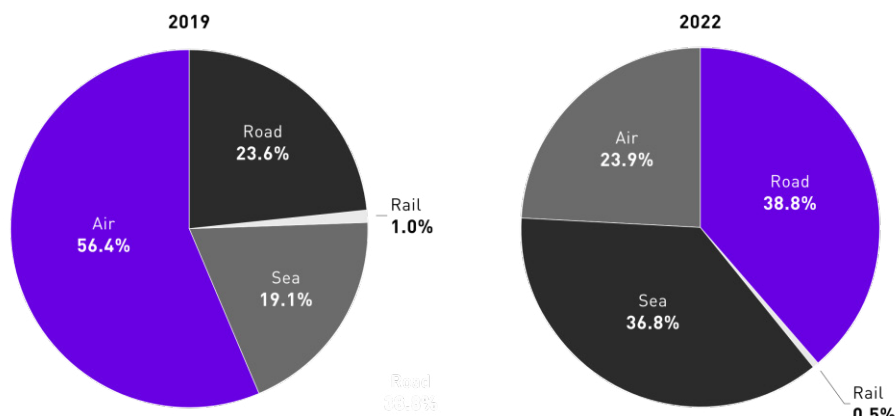
PUMA's Logistics Team has been working on reducing greenhouse gas emissions from transport of goods for several years. Key measures include the optimization of container loads, as well as reduction of airfreight to an absolute minimum. The airfreight reduction is also part of PUMA's annual bonus targets. Furthermore, PUMA is a member of the sustainable airfreight alliance.

2022 brought progress in several areas:

1. We managed to keep our airfreight ratio under 1%, meaning that less than 1% of all PUMA goods (by unit) are transported by air. This is a significant reduction compared to 2019 (before the COVID-19 pandemic) where the value was close to 3%.
2. Together with our main logistics service provider Maersk we agreed to pilot Maersk's green shipping concept using biofuels for shipments to the European market starting in 2023.
3. Our logistics team in the USA was able to introduce the first ever electric truck for the transport of PUMA goods between the port in Los Angeles and the warehouse in Torrance. We anticipate that more electric trucks will follow over the next years.



An electric truck operates at PUMA's warehouse in California, USA

**➤ 6.23 SHARE OF GHG EMISSIONS PER TRANSPORT MODE IN 2019 AND 2022****➤ T.23 GHG EMISSIONS PER TRANSPORT MODE 2019 - 2022**

GHG emissions per transport mode	2022	2021	2020	2019
Road freight	48,345	38,815	30,256	24,522
Rail freight	675	3,153	1,783	1,013
Sea freight	45,891	44,698	31,667	19,830
Air freight	29,751	17,731	17,045	58,651

The graph and table above illustrate the relative reduction of airfreight compared to other modes of transport. Our airfreight reduction target helped us reduce the share of emissions from airfreight from 56.4% in 2019 to 23.9% in 2022.

“PUMA has been a long-term customer and partner of Maersk for the transport of goods and in the field of sustainability. In 2022, we piloted a first electric truck for the shipment of PUMA goods from port to warehouse in the United States and concluded an agreement to use biofuels starting 2023 for shipping lines from Asia to Europe. We are convinced that the decarbonization pathway plans of the apparel and footwear industry need to include emissions from transport of goods and stand ready to support our customers in tackling this challenge together.”

VINCENT CLERC
CEO, A.P. Møller - Maersk



CHEMICALS

Target description:

- 100% of all PUMA products are safe to use
- Maintain RSL compliance rate above 90%
- Reduce organic solvent usage to under 10 gr/pair

Relates to Sustainable United Nations Development Goals 3 and 6

3 GOOD HEALTH
AND WELL-BEING



6 CLEAN WATER
AND SANITATION



KPIs:

- Percentage of RSL compliance rate per product division
- Percentage of core suppliers with chemicals inventory and MRSL conformance report (ZDHC InCheck reports)
- Suppliers' chemical performance (verified FEM scores under chemical management section)
- VOCs used in footwear production (VOC index for shoes)

PUMA follows the precautionary principle and takes measures to prevent harm to human health and the environment from its products and operations.

All the materials used in PUMA products are subject to our Restricted Substance List (RSL) Testing Program to ensure compliance with global chemicals regulations. Rather than applying internal testing standards for our tests, we rely on the AFIRM Group's Product RSL and on the Manufacturing RSL developed by the Zero Discharge of Hazardous Chemicals Foundation (ZDHC).

In 2021 we changed our target from less than 1% RSL failure rate to maintain the RSL compliance rate above 90%, to allow for increased new material development and innovation, where each material is tested, and hence more failures can happen. In any case, no material with a failed RSL test can be used for PUMA products until the failure has been corrected and the material has successfully passed the test. In this way, we mitigate the risk of product-level RSL failures. We will still track our RSL failure rates to identify improvement opportunities and prevent such failures from occurring in the future.

At the manufacturing level, as part of our Zero Discharge of Hazardous Chemicals commitment we continued to ban the intentional use of priority chemical groups classified as particularly hazardous under ZDHC standards. This phase-out was supported by the widespread use of bluesign® and OEKO-TEX®-certified materials. While the use of most of these chemical groups was never intentional, poly- and per-fluorinated chemicals (PFCs) were used until 2017 for water repellent finishes on apparel and footwear products. In 2021 we started using Gore-Tex bluesign®-certified membranes and finishes again, which are either completely PFC-free or free from PFCs of environmental concern. In February 2017, Gore announced the "Goal and Roadmap for Eliminating PFCs of Environmental Concern (PFCEC)" from the lifecycle of its consumer fabric products following discussions with Greenpeace. Gore Fabrics Division is still fully committed to the PFCEC-free goals for its consumer products and is now on track to transition most of its portfolio by the end of 2025.

Our phase-out of hazardous substances is also reflected in the results of wastewater tests performed by our wet-processing suppliers. The tests show compliance levels of 98% among the 14 MRSL parameters listed in the ZDHC MRSL. Most parameters show compliance rates of 100% or close to 100%. Some MRSL



chemicals were still found in certain samples because we share production lines with other brands and retailers.

Please see [Water and Air](#) section for further details.

There is a total of 264 ZDHC Gateway accounts connected with PUMA. 49 are core Tier 1 and 76 core Tier 2 factories and the remaining are non-core factories. These factories are part of different ZDHC programs, depending on what applies to them: InCheck reports for MRSL conformance, ClearStream reports for wastewater conformance, and the Supplier To Zero program for chemical management.

CHEMICAL RISK ASSESSMENT AND NEXT STEPS

In 2021 we conducted a risk assessment using our risk assessment methodology. We used the Higg FEM chemical management score 2020 by our core suppliers and engaged with AFIRM and the ZDHC Foundation to review our risk assessment.

We see a high risk for upcoming regulatory requirements. We will keep our engagement with AFIRM and Federation of the European Sporting Industry (FESI) as a platform to engage with policy makers in different regions and countries such as the EU and the US, so standards are achievable by the industry, while protecting consumers, workers and the environment.

PUMA has had a long-lasting program to ensure compliance with industry standards. We also updated our chemical handbook and increased supplier training in 2021. These are the reasons why we see a low risk towards factory workers and communities' health and medium risk of product claims.

In 2022 we continued using the China IPE database to screen for any environmental violations by factories located in China producing PUMA products and materials. We also continued monitoring compliance with ZDHC wastewater guidelines, ZDHC MRSL, and Higg FEM chemical management.

We organized MRSL conformance training for PUMA Tier 1 and Tier 2 suppliers and invited chemical suppliers to strengthen their commitment to conformance.

The details of compliance with ZDHC wastewater guidelines, ZDHC MRSL, and Higg FEM chemical management are described in this report.

2022 PUMA BRANDS TO ZERO – ASPIRATIONAL LEVEL



We achieved 'Aspirational Level' in the 2022 ZDHC Brands to Zero Program, the highest category of success, by accelerating the implementation of sustainable chemical management across our value chain. This is a significant jump from "Foundational Level" in 2021. PUMA is recognized as ZDHC Leader to Zero in our industry, committed to ZDHC's goals as we continue to blaze the trail of innovation and best practices to protect consumers, workers and the environment.

The Brands to Zero Program comprises an integrated package of ZDHC guidelines, platforms and solutions that streamline and create a single common implementation approach. This eliminates duplicative efforts and supply chain complexity resulting in enhanced supplier engagement and consistent benchmarking of implementation performance.

In 2022 we made significant improvements in supply chain engagement, chemical management practices, ZDHC Gateway Chemical Module, and ZDHC Gateway Wastewater Module. The higher score came as a result of our strong commitment to enhancing the implementation performance of sustainable chemical management in our supply chain.



Based on the 2022 result of the Brand to Zero Assessment, we built up the vendor supplier scorecards along with social ratings to improve the business integration area. This vendor supplier scorecard was shared with the sourcing department at the end of 2022.

PUMA is included in the ZDHC's [Detox Fashion Radar](#) which promotes transparency and accountability within the fashion industry.

"As one of the founding members of the Roadmap to Zero Programme, PUMA has been instrumental in driving continuous improvement and collective impact. Their commitment to reducing greenhouse gas emissions, waste, and harmful chemicals in the apparel and footwear industry is commendable. Through their active participation, PUMA has demonstrated a strong leadership role in promoting sustainability and creating a more responsible future for the industry."

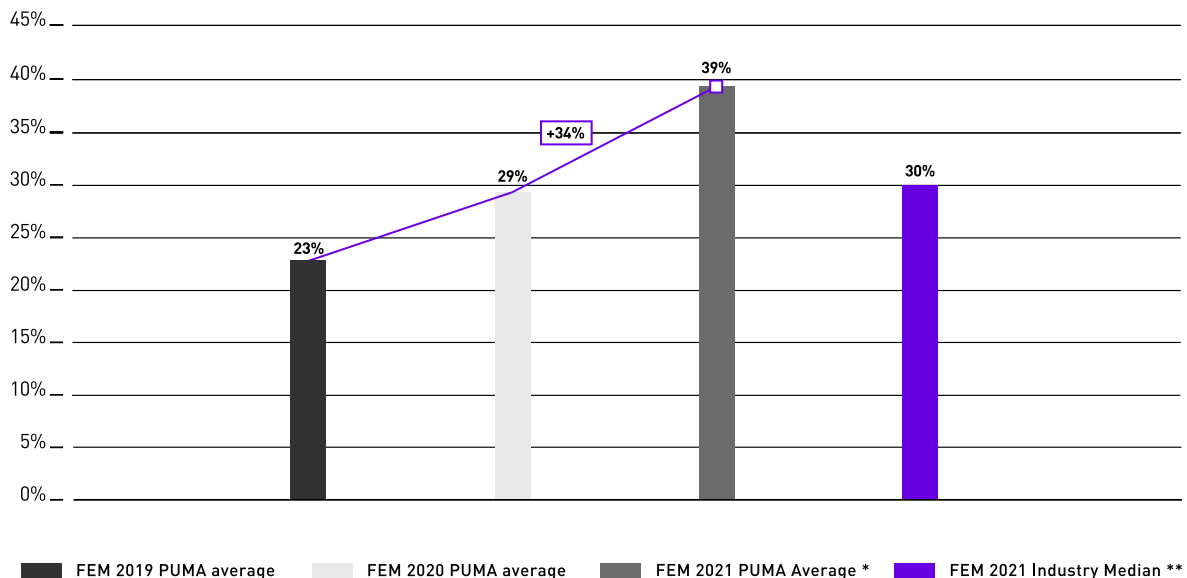
FRANK MICHEL
Executive Director, ZDHC Foundation

FEM CHEMICAL MODULE

PUMA has moved from individual brand chemical and environmental audits to the use of industry-wide tools, such as the Higg Index Facility Environmental Module (FEM) 3.0. PUMA requires an annual external verification of the self-assessment FEM modules (verification visits are announced). This external verification may be completed by approved verifiers from PUMA's internal team or other brands, or third-party organizations on the approved list from SAC. The FEM Chemical Management Section measures factory performance from inventory and purchasing, to production, storage and waste. PUMA's Chemical Performance Rating System is based on the ratings developed from the factories' verified Higg FEM scores under the chemical management section as verified by SAC-approved verifiers: A, B+, B-, C and D. The minimum passing grade from the Chemical perspective is 40% (i.e., only A, B+ and B- ratings are a passing score) and C and D are failure ratings. This rating system was presented during meetings of suppliers and sourcing teams in 2021 and was implemented gradually from 2022. Our chemical handbook has been updated accordingly. The rating system was included in vendor supplier scorecards along with social and environmental ratings.



6.24 AGGREGATED VERIFIED FEM CHEMICAL SCORE FOR PUMA FACTORIES BENCHMARKED WITH INDUSTRY



* FEM 2020 PUMA average: 146 factories
FEM 2021 PUMA average: 142 factories

** Industry median FEM 2021 (5,889 factories): Filter used industry sector (Apparel, Footwear, Accessories include handbags, jewelry, belts and similar products) and Facility Type (Final Product Assembly, Printing, Product Dyeing and Laundering, Material Production including textile, rubber, foam, insulation, pliable materials)

* Out of 147 core factories, 142 completed FEM verification

In 2022 PUMA continued to use the Higg Facility Environmental Module (FEM), the industry tool, to measure chemical management performance through the Higg FEM Chemical Management Module, which tracks purchasing and inventory management, production, storage and waste locations. We communicated our expectation to our core factories that they improve their verified FEM Chemical Management score to 39%. In 2022, the average verified Chemical score among our factories was 39%, which means we have achieved our target.

The table shows the aggregated verified FEM2021 chemical module scores (median) for PUMA core factories with industry benchmarking. Compared to the industry, the verified FEM score overall for our factories is higher than the industry median score.

During 2022 we continued to engage with our PUMA core Tier 1 and Tier 2 factories in capacity-building activities and projects in chemical management, which are focused on how to improve Higg FEM Chemical Management scores for the factories with low performing scores. We worked together with industry expert groups such as ZDHC, AFIRM as well as ZDHC-approved laboratories to organize training webinars and develop training videos in local languages. PUMA also joined the Chemical Management Improvement Program (CMI) and the Program for Improvement of Environmental Performance of Factories (PIE) of GIZ in countries such as Vietnam and Bangladesh to improve the factory's Chemical Management Performance. The improvement in the MRSL conformance rate also contributed to an increase in the Chemical Management Score.

In 2023 we will continue to engage with our PUMA core Tier 1 and Tier 2 factories in capacity-building activities and projects in chemical management. We will organize customized training sessions by SAC-authorized trainers. The training sessions will continue to focus on how to improve the Higg FEM Chemical



Management score for the factory with low performance to support these factories to achieve 2023 goals with average FEM score of 46 for chemical management.

SUPPLIER TRAINING

A series of training sessions were conducted in 2022, covering chemical management in input, process and output phases, in collaboration with ZDHC, accredited third party laboratories and external consultants.

ZDHC SUPPLIER TO ZERO ASSESSMENT

In 2022 PUMA helped our core factories with low chemical management scores to participate in the ZDHC Supplier to Zero program, which contains a chemical management checklist to help factories identify opportunities to improve their chemical performance. A total of 58 core Tier 1 and core Tier 2 factories have completed the ZDHC Supplier to Zero assessment. Almost all of them completed their assessment at the end of 2022, so we will monitor their performance improvement in 2023.

CHEMICAL MANAGEMENT IMPROVEMENT (CMI) WITH GIZ

The training course combines self-study and class training with the trainer to develop knowledge of the factory chemicals in use. After completing the training course, the factories' management are requested to submit an action plan to improve chemical management. The PUMA sustainability team supported our vendors by reviewing and advising on the action plans.

We nominated 32 core supplier factories in Vietnam to join this program with on-site consultancy, out of which 31 core suppliers joined this project. 110 out of 118 participants who took part obtained a Certificate of Completion and a Certificate of Attendance (93%). 100% of factories are working on an action plan. 87% of factories received a Letter of Recognition with Higg FEM 2021 – their chemical scores have improved by 10%.

PROGRAM FOR IMPROVEMENT OF ENVIRONMENTAL PERFORMANCE OF FACTORIES (PIE)

The PIE program is also an initiative by GIZ. In this program, the factories have worked to improve their environmental performance through capacity building and advisory services. The factories were also trained in the chemical management system. We nominated five supplier factories in Bangladesh to join this program. 12 participants from four factories obtained a Certificate of Completion. 100% of factories received a Certificate of Participation and improved their score by more than 50%, based on baselines and final assessment score.

**T.24 SUPPLIER TRAINING**

Virtual training	Topics	Number of factories	Number of participants
Industry chemical management standards, guidelines and platforms (Jointly organized with ZDHC) Conducted 3 sessions in 2 different languages	ZDHC WW guidelines V 2.0 - Wastewater ClearStream Report		
	ZDHC CMS Technical Industry Guide		
	Supplier To Zero (Chemical Management)		
	ZDHC MRSL ZDHC Gateway platform	125	363
MRSL (Jointly organized with an accredited third-party laboratory) Conducted 3 sessions in 3 different languages	ZDHC MRSL V2.0 and ZDHC MRSL Conformance Guidance (V1.1) How to improve ZDHC MRSL conformance rate indicated in InCheck Report.	124	212
RSL (Jointly organized with accredited third-party laboratory)	RSL standard and testing matrix update and implementation	Approx. 130	Approx. 203

In 2022 chemical management training sessions covered MRSL and factory chemical management (FEM). A total of six training sessions were conducted in five different languages. More than 240 factories and 570 participants were invited. More than 80% of participants were satisfied with the training arrangement and content. These training programs helped our suppliers improve their understanding on PUMA's and industry requirements. Training in various relevant standards, guidelines and tools helped them to improve the effectiveness of their Chemical Management System (CMS).

After the training, the core factories with low MRSL conformance rates developed an action plan to improve their performance. We received such action plans from 36 factories and set up their sessions to review their plans and facilitate their implementation.

In addition, we also encouraged the suppliers' chemical management teams to attend in-depth training courses as part of the ZDHC Academy conducted by ZDHC-approved service providers.

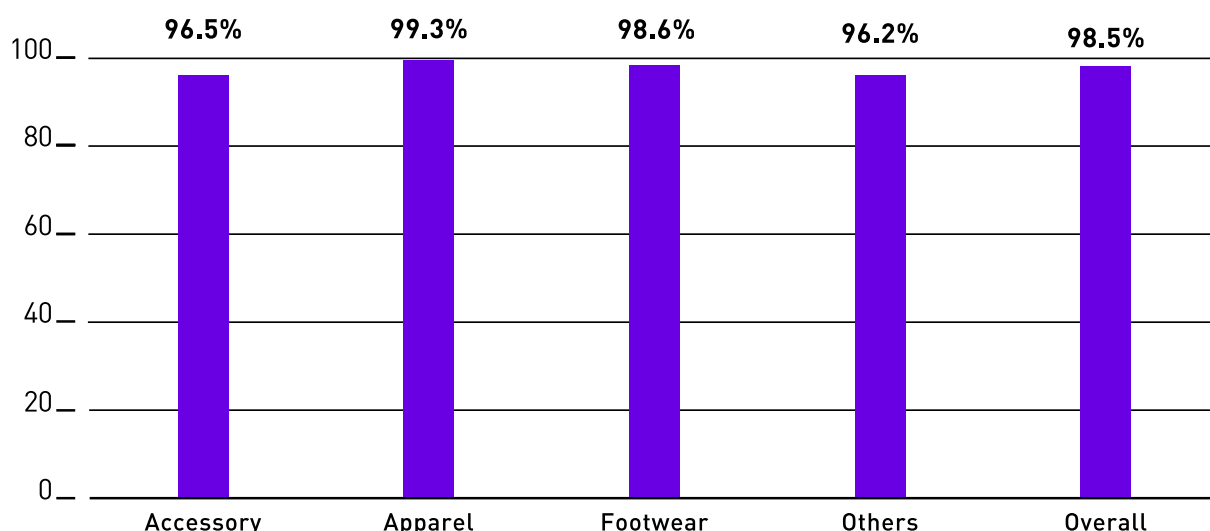
Examples of the training courses that have been attended by PUMA suppliers were ZDHC Top 10 Issues & Best Practices as well as CMS and Technical Industry Guide (TIG) training.



RESTRICTED SUBSTANCE LIST (RSL)

In 2022 we received 7,851 RSL tests and material certification submissions with an overall RSL compliance rate maintained at above 98%. When materials fail an RSL test, they cannot be used for PUMA products until the failure has been corrected and they successfully pass the test. In this way, we mitigate the risk of product-level RSL failures.

➤ 6.25 2022 RSL COMPLIANCE RATE BY DIVISION (%)



➤ T.25 RSL TEST STATISTICS 2019-2022

Product Division	2022		2021		2020		2019	
	No. of test submission	Compliance rate (%)	No. of test submission	Compliance rate (%)	No. of test submission	Compliance rate (%)	No. of test submission	Compliance rate (%)
Footwear	5,350	98.6%	5,847	98.8	5,117	99.3	4,668	99.2
Apparel	1,499	99.3%	1,467	99.0	1,318	98.9	1,239	99.1
Accessories	846	96.5%	737	94.4	878	96.8	639	96.2
Others	156	96.2%	133	97.7	152	91.4	59	100.0
Total	7,851	98.5%	8,184	98.4	7,465	98.8	6,605	98.9

RANDOM TESTING

Every year PUMA performs random RSL tests on high-risk materials of finished products. In 2022 we tested 227 materials in 29 finished products across footwear, apparel and accessories from different suppliers in different sourcing regions. The passing rate was 95%.

While all products met all legal requirements, we took actions for the RSL failures, such as material segregation, increased test frequency on materials before product manufacturing, and improved manufacturing processes at Tier 2 factories.



MANUFACTURING RESTRICTED SUBSTANCE LIST (MRSL)

Regarding MRSL conformance, we use ZDHC MRSL, an industry standard adopted by many brands/retailers at the supplier level, to verify the phase out of priority hazardous chemicals. Out of 147 core factories, 26 factories do not use chemicals during the manufacturing process and therefore are out of scope of the MRSL.

In 2022, 88 of our core factories used either BHive, CleanChain or E3 tools to account for MRSL implementation at factory level. This means that 90% of Tier 1 factories and 61% of Tier 2 factories under the scope of our MRSL program have an official InCheck Report, issued by ZDHC-approved solution providers to track MRSL compliance. These are the chemical management platforms to manage chemical inventory and generate Performance InCheck Reports, which provide a summary of the MRSL conformance of the factory's chemical inventory.

➤ T.26 MRSL STATUS*

	Number of factories		
	In MRSL scope	With Chemical Inventory List	With InCheck Report
Core T1	49	44	44
Core T2	72	50	44
Total	121	94	88

* The data is based on September/October/November InCheck Report

The **BHive** app uses OCR technology to allow manufacturing facilities to take smartphone photos of chemical product labels, generate a full and accurate chemical inventory and within seconds identify which chemical products meet MRSL requirements used by many brands and retailers. Facilities can then see which chemicals they should keep using and which they should phase out.



CASE STUDIES

From March to August 2022, Kim Viet factory in Vietnam joined the Chemical Management Improvement (CMI) program by GIZ to improve chemical management performance. In this program they completed the training courses on the chemical management system through the guided online platform to master the chemical management system and practice in the factory, received a consultation from the Chemical Management Advisor and then made a Performance Improvement Plan. The Higg FEM 2021-verified chemical score improved by 112%, from 17 to 36, in comparison to the Higg FEM 2020-verified chemical score. PUMA's average Higg FEM 2021 score is 39, whereas the industry median is 30%.

In August 2022, Formosa Group made an action plan to improve MRSL conformance for three facilities in Taiwan, China and Vietnam. The factory analyzed the MRSL conformance rate (based on the March/April/May InCheck Report) to make a list of the top 14 non-conformance chemicals and target chemical suppliers accordingly. Formosa then worked with the suppliers of these chemicals and requested them to register a ZDHC account and submit the evidence of the chemicals conformance with ZDHC MRSL (at least level 1) on the ZDHC gateway. All three facilities achieved approximately 70% MRSL conformance.

With a baseline of 45% MRSL conformance rate in 2021, we set a goal of 60% MRSL conformance in 2022. We exceeded the 2022 goal with an average MRSL conformance rate of 68%. 58 out of 88 core factories now have an InCheck report achieving the target of 60% MRSL conformance. MRSL conformance is measured by weight.

In 2023 we will focus on the remaining core factories to receive an InCheck report. We will engage with PUMA core Tier 1 and Tier 2 factories in related capacity-building activities and implementation. We will organize customized training sessions by ZDHC, ZDHC approved third-party laboratories and focus on how to improve MRSL conformance for the factories with a low MRSL conformance rate. This will support the factories in achieving the 2023 MRSL conformance goal of 70%. In 2023 we plan to work with ZDHC-approved third-party verifiers to conduct on-site verification, which is an exercise conducted to establish the credibility of the chemical inventory list uploaded by a supplier and generate the verified Performance InCheck Reports.

Besides using a chemical inventory to control input chemistry, we also use wastewater tests conducted by accredited independent laboratories to ensure no harmful chemicals are released through the wastewater of our manufacturer's facilities with wet processing. The results of these tests show a compliance rate of over 94% for each parameter, with most parameters scoring 99 or 100% compliance.

More details on wastewater testing are provided in the [Water and Air](#) section of this report.

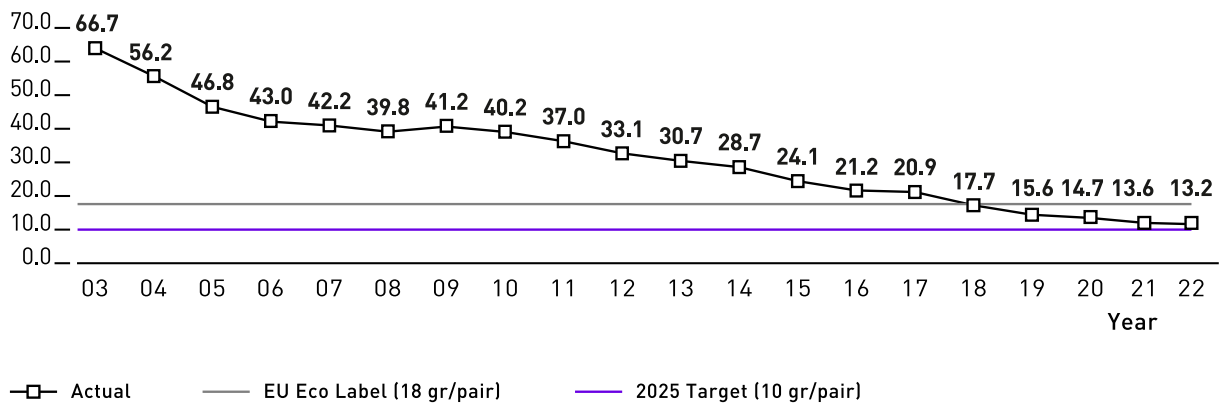


VOLATILE ORGANIC COMPOUNDS

With much collaborative effort, we continue to edge closer towards our 2025 target of limiting VOC emissions to 10 g per pair of footwear produced. Although we faced certain supply chain difficulties in 2022, we have again managed to reduce our volatile organic compounds (VOC) and for 2022 we are reporting 13.2 g per pair. We remain confident to achieve our 2025 goal, through the increased use of water-based adhesives, as well as further innovations within our adhesive suppliers.

➤ G.26 VOC INDEX DEVELOPMENT OVER TIME*

g / pair of shoes



* Since 2019 figure-based for core suppliers in alignment with the general reporting scope.



WATER AND AIR

Target description:

- Industry good practice for effluent treatment is met by 90% of core PUMA suppliers with wet-processing facilities
- Industry good practice for air emissions is met by 90% of core PUMA suppliers with significant emissions
- Reduce water consumption at PUMA core suppliers per pair or piece by 15% (based on 2020 baseline)

Relates to United Nations Sustainable Development Goals 6, 14 and 15



Examples of the 10FOR25 action plan:

- Ensure regular wastewater testing at relevant suppliers
- Ensure regular air-quality assessments at relevant suppliers
- Support the development of an industry-wide air quality standard

KPIs:

- Percentage of core suppliers meeting good practice standards for wastewater
- Percentage of core suppliers meeting good practice standards for air emissions
- Percentage of water saved per pair/piece

WATER ROADMAP AND RISK ASSESSMENT

In 2021 we developed a water roadmap and conducted a risk assessment using our risk assessment methodology.

In 2022 we added a water risk mapping for our own PUMA sites (offices, stores and logistic centers) globally. Using the WWF water risk filter, we identified 164 sites in areas of water scarcity. For the sites, we identified the water consumption and compared it to the water consumption of similar sites (offices, stores and warehouses separately assessed). We also published an environmental handbook for our own entities with recommendations for water-saving measures. During 2023 we will follow up with the identified sites and set a maximum water consumption target.

At our headquarters in Herzogenaurach, we collect rainwater on our property and use it in the office and the surrounding green area. This helps us reduce our freshwater consumption and water costs.

Most of the other PUMA operated sites globally are rented and both, rented as well as non rented, none of the sites do not use water for industrial processes. Therefore, our influence to reduce water consumption at our own sites is limited to using water-efficient kitchen equipment and sanitary facilities.

Water risk across PUMA's supply chain was assessed referring to the WWF water stewardship: Basin Risk and Operational Risk. Basin Risk was analyzed by the WWF Water Risk Filter. As for the Operational Risk, it was based on the water management in Higg FEM water management 2020 by our core suppliers. Those scoring under 50% were ranked as having a high level of operational risk.

According to the analysis from WRI Aqueduct and WWF Water Risk Filter, some of our core suppliers in China, Vietnam and Bangladesh have some risks, such as flooding, poor water quality or water depletion.



Below are key focus areas for the coming years. The actions below indicated are a continuation of the ones started in 2021.

- **Raise awareness:** We see the need to increase internal awareness and will develop e-learning courses on water for our staff. As a part of Higg FEM training, we have provided training to the suppliers on how to improve their score in the water and wastewater sections. The cleaner production programs such as Clean by Design (CbD) and PaCT provided support to suppliers to reduce water consumption for the selected core factories.
- **Knowledge of impact:** We conducted a life cycle assessment of our top five products. Two LCA results are reported under the product section of this report. Also, in 2022 we conducted a comparative LCA of our RE:SUEDE sneaker compared to the conventional SUEDE. LCA studies evaluated blue water consumption, which represents surface water and ground water consumption in different lifecycle stages of products. As a part of Higg FEM self-assessment the core suppliers and selected non-core suppliers have conducted water risk assessments by using either the [WRI Aqueduct Tool](#) or the [WWF Water Risk Filter](#).

[DETOX.Live](#) is a public disclosure platform operated by ZDHC, which has integrated the global facilities of wastewater testing, completed as per ZDHC Wastewater Guidelines. We will use the DETOX.Live platform to check the wastewater performance of new factories to know whether they have already implemented the ZDHC wastewater guidelines in 2023. After uploading test data to the ZDHC Gateway Wastewater Module, the performance results are shown in three different color codes. Green means a facility has met requirements, red means the facility did not meet the requirements, orange means that while requirements are not met, corrective action was taken.

PUMA has also adopted ELEVATE intelligence, or “EiQ”, a comprehensive suite of supply chain analytics, to:

- Assess our supply chain risks by geography, commodity and issue
- Complete a risk assessment for suppliers, factories and sites.
- Manage risks that are material for each supplier, factory or site.

We will prioritize core suppliers for further action by using the Water Risk Analysis tool.

- **Internal action:** We translated Higg FEM into a PUMA grading system to include our suppliers' environmental performance in our vendor scorecard used by our sourcing leaders in the future. We will strengthen water data by increasing data collection frequency. We will keep our focus on increasing the use of recycled materials in our products. We will continue to enroll more factories in cleaner production programs to improve their water efficiency. We asked our core suppliers to set their own water reduction targets. Our material and development team continued their efforts to launch products with a lower water footprint. We created a tool for internal decision-making which compares the environmental impact of alternative materials. Our suppliers improved their efforts to recycle treated wastewater, process optimization, rainwater collection etc. to reduce the water footprint in the supply chain. Some of the case studies on implementation by our suppliers are presented in this report.
- **Collaboration and partnership:** We will map further water governance in our key sourcing countries and conduct local key stakeholder mapping to explore opportunities for a collaborative approach. We continue to participate in industry-wide cleaner production projects, which include water efficiency measures, such as Clean by Design, the PaCT program in Bangladesh or water efficiency programs offered by the Fashion Pact.



MRSL WASTEWATER TESTING

Since 2015 we have increased the number of wastewater tests from 33 to 147 factories and in 2022 we received 283 wastewater tests. 94% of all factories with wet-processing facilities (156 factories have wet processes) have been covered by tests, and tests show that all these factories have at least 90% compliance with the ZDHC Wastewater Guidelines (foundational level). Out of 147 supplier factories, 104 are fully compliant with all ZDHC Wastewater Guideline requirements. When a wastewater test fails, we support factories to conduct a wastewater and sludge root cause analysis and create corrective actions, using the industry standard template. In 2022, we followed up with those factories who failed to fully comply with the wastewater guideline, and we received seven corrective action plans. We will continue to follow up through 2023 to obtain corrective action plans and we will evaluate further measures that need to be taken. We will also follow up on their implementation through wastewater testing in 2023. In 2022 we partnered with an accredited third-party laboratory to organize training on chemical management and wastewater conformance as well as a root cause analysis and corrective actions for non-conformance. Case studies of conventional parameter failures have been used in the training.

The overall compliance rate for each category is:

- Conventional wastewater parameters: 98%
- Heavy metals: 99%
- Restricted chemicals (MRSL): 99%

The overall compliance rate for heavy metals and restricted chemicals has increased by 1% in 2022 compared to 2021, while the compliance rate for conventional parameters has fallen by 1%. Nearly half of the factories that are in non-compliance with conventional parameters have recently joined the wastewater testing program. One third of these failures are related to the temperature of the wastewater.

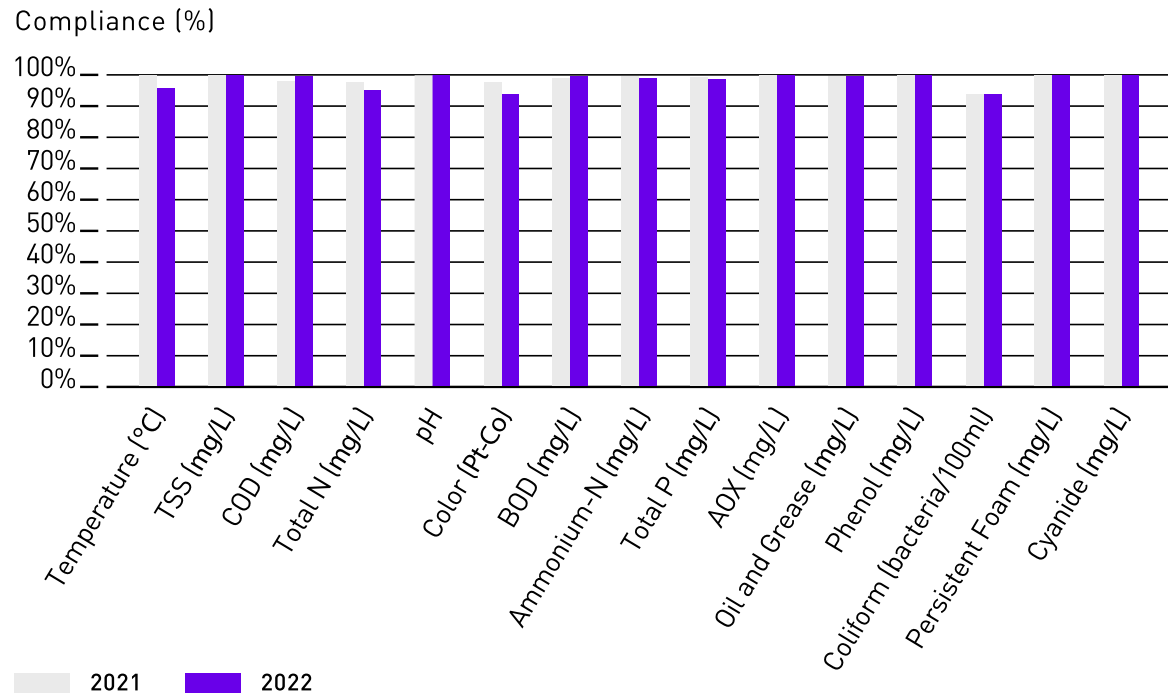
143 out of 147 factories have a ZDHC ClearStream Report. ClearStream Report, an easy-to-read facility performance report of ZDHC wastewater conformance, is automatically generated on the ZDHC gateway platform. To obtain a ZDHC ClearStream report, the factories must conduct wastewater testing in accordance with ZDHC Wastewater Guidelines at one of ZDHC's accepted laboratories, and all test results must be uploaded to the ZDHC gateway platform.

The test results confirm that priority hazardous chemicals have been phased out as planned. Regarding the conventional wastewater parameters that apply only to suppliers which discharge their wastewater directly into natural water bodies, in 2022 test results show 98% compliance with the ZDHC Wastewater Guidelines (foundational level). Six parameters hit a 100% compliance level. This means we have achieved our wastewater target for the 10FOR25 cycle. Nevertheless, we will continue to work with our suppliers to reach 100% compliance for all parameters.

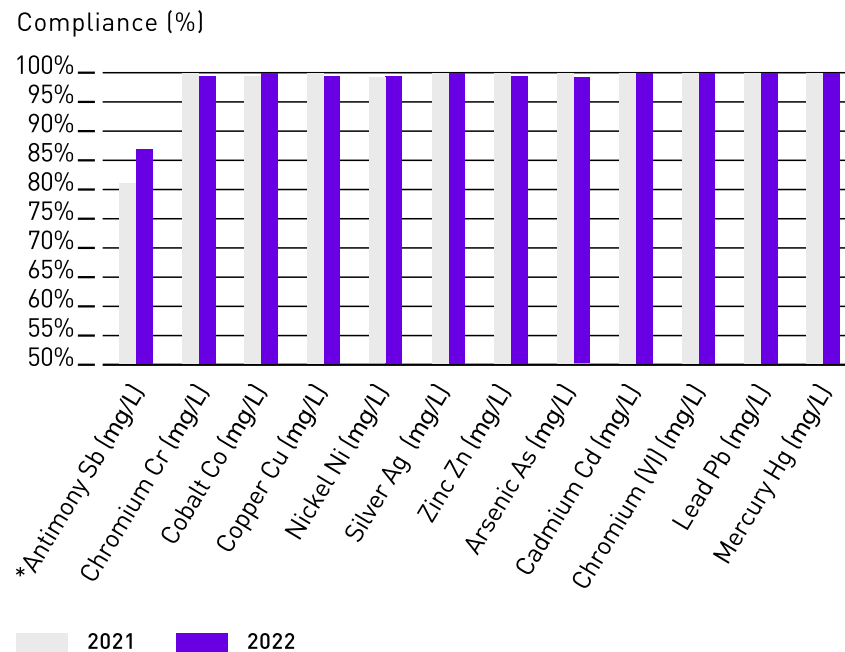
In 2023 we will continue to engage with manufacturers of PUMA goods in our wastewater testing scope in capacity-building activities and implementation. We will organize customized training sessions by ZDHC and ZDHC-approved third-party laboratories, by focusing on updates of the ZDHC Wastewater Guidelines to version 2.1, root cause analyses, and corrective actions for non-conformance factories.



➤ 6.27 SUPPLIER PERFORMANCE TO ZDHC WASTEWATER QUALITY GUIDELINE – CONVENTIONAL PARAMETERS



➤ 6.28 SUPPLIER PERFORMANCE TO ZDHC WASTEWATER QUALITY GUIDELINE – HEAVY METALS

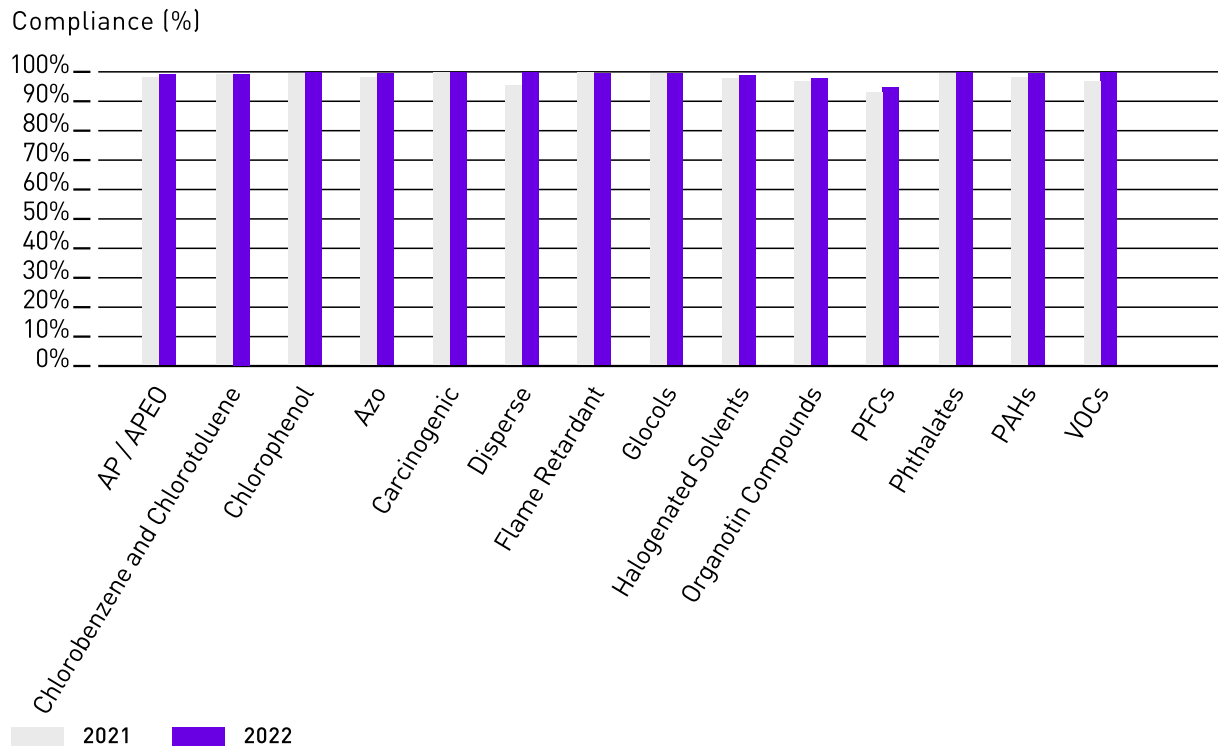


* Antimony is exempt for mills that produce or dye polyester fabric because the antimony is used as catalyst for polyester production and its natural to have antimony in the wastewater. This is acceptable as per ZDHC guideline.



For Heavy metals and restricted chemicals parameters, the test results also show over 90% compliance for each parameter with the ZDHC Wastewater Guidelines. This means we have achieved our wastewater target for 10FOR25 sustainability targets cycle. Nevertheless, we will continue to work with our suppliers to further improve the remaining non-compliance cases.

➤ G.29 SUPPLIER PERFORMANCE FOR ZDHC WASTEWATER QUALITY GUIDELINE – RESTRICTED CHEMICALS





SUPPLIER TRAINING

To help our suppliers better understand the requirements set by PUMA and the industry, we trained suppliers in standards, guidelines, tools as well as methodology for nonconformance investigation and remediation. Case studies of conventional parameter failures were used in the training.

T.27 SUPPLIER TRAINING

Virtual training	Topics	Number of factories	Number of participants
ZDHC Wastewater and Root Cause Analysis & Corrective Actions	ZDHC WW guidelines V 2.0 and implementation		
Conducted six sessions in five different languages	Root Cause Analysis & Corrective Actions for Non-conformance Wastewater	145	438

In 2022 we partnered with an accredited third-party laboratory to organize Wastewater Conformance Updates Training with a focus on chemical management. The training also included root cause analyses and region-specific corrective actions. Case studies of conventional parameter failures were used in the training.

A total of six training sessions were conducted in five different languages. More than 430 participants from 145 factories attended the training courses. More than 80% of participants were satisfied with the training arrangement and content.

The training helps the factories gain a better understanding of the updated ZDHC Wastewater Quality Guidelines, such as key updates and their relevant impact on their facility. It also explains when the new version will be implemented as well as how to do a wastewater root cause analysis and create corrective actions when there is a case of non-compliance.

After the training, the factories that have a case of non-compliance with the ZDHC Wastewater Quality Guidelines are required to do a wastewater root cause analysis and create corrective actions. We received seven corrective action plans from seven factories. We will follow up on their implementation with wastewater testing in 2023.

In addition, we also encouraged the suppliers' chemical management teams to attend in-depth training courses as part of the ZDHC Academy, which are conducted by ZDHC-approved service providers.

WATER SAVING

In 2022 we expanded the participation of our Core Tier 1 and Tier 2 suppliers in cleaner production programs to improve energy and water efficiency.

Below are the annual savings from completed and ongoing projects from 2019 until the end of 2022:

- Greenhouse gas reduction: 85,931 tCO₂e per year
- Renewable energy: 186 MWp of RE capacity (including offsite wind) added in 2021 and 2022
- Water saving: 2,327,067 m³ per year
- Energy saving: 164,483 MWh per year



Apart from our consistent improvement on supply chain water efficiency, we have set a target of 15% water efficiency (water consumption reduction per unit of products manufactured) in 2025 compared to the 2020 baseline.

Since 2020 our core Tier 1 apparel suppliers have been able to reduce the amount of water per piece by 17% and core Tier 1 footwear suppliers reduced water per pair by 36%, thereby exceeding our 2025 target 3 years ahead of schedule.

Since 2020 our core Tier 2 textile suppliers have been able to reduce the amount of water per ton by around 5% and core Tier 2 leather suppliers reduced water per square meter by 17%. While our core leather suppliers also hit our water efficiency target ahead of schedule, we will continue to work with our textile suppliers to close the gap.

For further data on water consumption, please refer to the [Environmental Key Performance Indicator](#) section of this report.

➤ G.30 2022 PUMA CDP WATER SCORE



PUMA's CDP water score improved from B- in 2021 to B in 2022.

➤ CASE STUDY

In the water footprint reduction roadmap 2025, PUMA supply chains are an important part of this journey. Gain Lucky Vietnam is a fabric factory (under the Shenzhou group) that planned to install an in-house reverse osmosis (RO) membrane system with a designed capacity of 10,000 m³/day to treat wastewater and recycle it in their production processes. The RO system (phase 1 ~5000 m³/day) was installed in June 2022 and started trial operation in July 2022. This initiative has resulted in an estimated 12% annual reduction in freshwater consumption of the factory.

Being a Leather Working Group (LWG) Gold-rated and ISO 14001:2015-certified tannery in Vietnam, Hung Fu Leather has been working on improving its chemical & water use among other topics. In 2021 the factory needed 61.9 L water to produce 1 m² of finished leather. In 2022 the factory set up an automatic water supply system to accurately control water used in coloring. This, together with adjusting the coloring recipe has helped reduce annual water usage by 5-10%. In addition, from April 2021, around 10-20% of wastewater has been recycled back into production.



AIR EMISSIONS

In terms of air emissions, there are no significant air emissions to report from our own sites. We have outsourced all manufacturing to external manufacturing partners and at our largest sites globally we do not have any industrial processes which could create air emissions. The only exception is our own manufacturing site in Argentina, which is covered by our supply chain efforts listed below.

For our largest site, our global headquarters, we use district heating and heat pumps for heating, resulting in zero direct air emissions from the building. This fact was also confirmed during our ISO 14001 certification audit in 2022.

As the publication of the ZDHC Air Emission Guidelines has still not been finalized, we decided to internally monitor our core supply chain's legal compliance regarding air emissions.

We designed a set of questionnaires to gather the relevant air emission compliance information on top of our online data collection campaign for our core factories (Tier 1 and Tier 2)*.

The result shows that 100% of the core factories sampled were compliant with the local regulation for air emission in 2022. We have evaluated compliance to air emission regulation for 108 out of 147 core factories.

We will join a ZDHC pilot project on air emissions in 2023. As a part of this project, we are in the process of selecting factories in collaboration with other brands.

* This provision refers to local regulations, where samples are selected by the factories based on the requirements provided by the local environmental authorities.



PLASTICS AND THE OCEANS

Target description:

- Support initiative and scientific research on microfibers, work with core suppliers to reduce microfiber release
- Research biodegradable polyester for use in PUMA products
- Eliminate plastic bags from PUMA stores and review the impact of hangers and fixtures

Relates to United Nations Sustainable Development Goals 3, 14 and 15



KPIs:

- Tons of plastic bags used in PUMA stores
- Percentage of PUMA offices that have eliminated single-use plastic
- Percentage of plastic packaging recycled

➤ T.28 ELIMINATION OF SINGLE USE PLASTICS

Sub-targets	2020	2021	2022	Target 2025
Plastic consumer shopping bags (stores, tons)	400	189	99	0
Plastic consumer shopping bags recycled content (%)	80%	80%	80%	Zero plastic bags
Plastic hangers used in stores (stores, tons)	112	134	160	Switch to recycled content or wood
Plastic hangers with 100% recycled content (%)	51%	97%	99.9%	100%
Primary and transit* plastic packaging (tons)		557.7	2,297	Switch to recycled content or paper
Primary and transit plastic packaging with recycled content (%)		100%	99.6%	100%
Offices that have eliminated single-use plastic cups and cutlery (%)	0%	88%	91%	100%

* Transit packaging from factory to warehouse

Plastic pollution of our oceans is one of the most urgent challenges to sustainability of our time. As a company that uses polymers for most of its products, we have a special responsibility to work on this issue. Avoiding plastic pollution is one of the three pillars of the Fashion Pact, of which PUMA is a founding member. Also, several countries and regions have formed initiatives to ban certain types of single-use plastics or plastic bags.

Therefore, we have added Plastics and the Oceans to our 10FOR25 sustainability strategy as well as our sustainability bonus targets.



Plastic shopping bags and single-use plastics aggravate the problem of plastic pollution significantly. By eliminating them from our stores and office environment, we can set a positive example for our consumers and colleagues and at the same time reduce our use of plastics by several hundred tons per year.

In recent years we switched our shopping bags to FSC-certified paper bags or polyethylene bags with 80% recycled content. During 2020 our Retail division devised a detailed plan to completely phase out plastic bags from our owned and operated PUMA stores globally.

Our stores ordered 430 tons of consumer-facing polyethylene bags in 2019 and 400 tons in 2020. In 2021 our stores ordered 189 tons. Finally, in 2022 our stores ordered 99 tons of consumer-facing plastic bags. As of January 1st, 2023, we have replaced all polyethylene bags for consumer use with paper bags or durable multi-use bags for sale in our owned and operated PUMA stores.

At the same time, we switched other plastic items in our retail stores, such as hangers and shoe fixtures, to recycled polymers or FSC certified wood. We also started working on more environmentally friendly solutions for our B2B product packaging for apparel and accessories, which is also based on polyethylene bags. As a result of these efforts, we switched our transit packaging B2B plastic bags to 100% recycled content. In addition, we piloted transit bags made from paper in the USA. For 2023 we plan to roll out transit bags made from FSC-certified paper for selected, more sustainable products.

According to our zero plastic target for primary product plastic packaging, during 2021 we also switched most plastic primary packaging B2C to paper (we reported 245 tons of plastic primary packaging used in 2020). At our offices, we have challenged our catering partners and employees to avoid single-use plastics such as coffee cups, lids, stirring sticks, cutlery or straws. In 2021 already 88% of our offices globally have eliminated single use plastic cups and cutlery. This figure increased slightly to 91% in 2022.

On a product level we piloted a fully biodegradable version of our most iconic sneaker, the PUMA SUEDE. This pilot includes the use of a fully biodegradable outsole made from thermoplastic polyurethane (TPU).

For more information on RE:SUEDE, please refer to the [Circularity](#) section of this report.

MICROFIBERS

PUMA joined The Microfiber Consortium (TMC) as one of the signatory members to understand and address the environmental concerns for fiber fragments (microfiber) as generated from natural and synthetic clothing during manufacture and the consumer use phase in the industry.

Microfibers originating from synthetic fibers can have an environmental impact and are a challenge for the industry. With this, PUMA has put more focus on testing synthetic materials, such as polyester. In 2022 we continued with microfiber shedding tests, with 12 such tests conducted on selected 100% polyester fabrics as per TMC test method. The results indicate that the average filter change in mass (g) and mass percentage for the 12 fabrics tested by PUMA is lower as compared to the average on the TMC Microfiber Data Portal. Specifically, PUMA's average filter change in mass was 0.0030 g and 0.0460%, compared to the database average of 0.0036 g and 0.0489%, respectively.

We have received feedback from TMC regarding the shedding data, and we understand that analyzing it is complex and ongoing. So far, there isn't a clear trend showing which yarn or structure type sheds more among the signatories. TMC has requested more data entries, and we will continue to participate in and support this study as an industry.

PUMA worked in the TMC task team with other industry representatives to develop a guideline: 'Control of fiber fragmentation, within textile manufacturing wastewater'. The final draft is awaiting open consultation by different stakeholders, such as the ZDHC Foundation, prior to public release. PUMA will review the official version of the guideline upon release. PUMA has also participated in the development of



biodegradability reports on the available test methods and claims. This could support alignment within the industry.

In September 2021, TMC released the 2030 roadmap. It laid down its commitment with clear accountable outputs - enabling signatories from across the industry to take meaningful, science-based, coordinated action on fiber fragmentation from natural and synthetic textiles. PUMA will continue to support the TMC roadmap and commitment, including building understanding by contributing to research data on fiber fragmentation, reducing fiber fragmentation by adopting mitigation actions once practically available from the industry, driving progress by participating in task teams and scaling global uptake.



CIRCULARITY

Target description:

- Set up or join product takeback schemes in major markets
- Reduce production waste to landfills by at least 50% (shared target)
- Develop recycled materials as alternatives to leather, rubber, cotton and polyurethane (shared targets)

Relates to United Nations Sustainable Development Goals 9, 12, 14 and 15

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



14 LIFE BELOW
WATER



15 LIFE
ON LAND



KPIs:

- Percentage of major markets with takeback scheme
- Amount of waste sent to landfills
- Percentage of recycled polyester, cotton, leather, rubber and polyurethane

We are aware that the linear business model currently applied in our industry is far from the ideal concept of a circular economy. The growing amount of textile waste sent to landfills is an emerging risk. Rethinking the way we produce and moving towards a more circular business model is one of the priorities of our sustainability strategy.

We begin our journey with product design. Building on our Circular Design training with Circular Economy, we rolled out an e-learning tool on circularity for the global PUMA colleagues. Based on the PUMA identity and our material toolboxes we identified circular design approaches around the longevity and cyclability of our products. The e-learning is covering our Circularity Policy, as well as our circular design guidelines.

CIRCULARITY INNOVATION AND COMMUNICATION

In 2021 we launched our PUMA Circular Lab, our platform to speak and learn about circularity together with our customers. The first project was the RE:SUEDE, an experiment for a biodegradable shoe, made with chrome-free Zeology Leather, hemp, cotton and a biodegradable TPE sole. It launched in 2022 with a first batch of 500 pairs. The shoes were worn for six months by participants and then sent back to PUMA. In December 2022 over 400 pairs of RE:SUEDEs were sent to an industrial composting facility in the Netherlands, where they were prepared for the composting trial happening in 2023. The composting results will be made public so that anyone interested in biodegradability can use our lessons learnt.



In apparel we developed a textile-to-textile recycling opportunity with partners in Europe called RE: JERSEY. The initiative enables the recycling of worn or unsellable polyester items (for example due to expired licensing contracts) through an innovative chemical recycling process into new textile items. We partnered with several PUMA teams for this project: Manchester United, AC Milan, Olympique de Marseille and Borussia Dortmund. We collect polyester products at the clubs' fan shops and our own PUMA Store in Herzogenaurach. These products are sorted, recycled, and turned into new football jerseys in Europe.



RE:JERSEY: Manchester City players wear recycled PUMA jerseys for warm-up

RECYCLED MATERIALS USAGE

We encourage all our suppliers to reuse and recycle the fabric waste they are creating for PUMA production, either through applications outside of our industry or ideally, by recycling offcuts into new polyester or cotton yarns.

We have set circularity targets, for example, scaling up the use of recycled polyester and cotton and using recycled alternatives to leather, rubber and polyurethane (PU), the materials we use most frequently after cotton and polyester. Our material toolboxes include recycled material options for all these materials. For recycling and recycled thermoplastic polyurethane (TPU), we have started a research project with a chemical company.

To communicate our use of recycled materials in our products, we launched our RE:COLLECTION in 2022. The collection is made with recycled cotton and recycled polyester. In parallel, we continued our First Mile collection made from recycled plastic bottles.

The percentage of recycled polyester increased for all product divisions from 14% in 2020 to 48% in 2022. The percentage of recycled cotton for our apparel products increased from 0.6% in 2020 to 3.6% in 2022, and for footwear it increased from 0.5% to 2.4%.

Around 57% of pre-consumer waste was either reused or recycled by our core Tier 1 suppliers and around 90% of waste was either reused or recycled by our core Tier 2 suppliers in 2022. 9% of textile and fabric waste was sent for incineration by core Tier 1 factories while core Tier 2 factories sent only 0.3% of waste for incineration.

Only 4.6% of manufacturing waste still ends up in landfills for apparel suppliers and 9.2% for footwear suppliers.

**T.29 PRE AND POST CONSUMER WASTE**

Volume of recycled cotton, from production waste	1,335 tons	
Volume of recycled polyester, from post & pre-consumer waste	24,509 tons	
Volume of recycled nylon, from post-consumer waste	15 tons	
	Core T1*	Core T2**
Quantity of pre-consumer waste generated annually	51,165 tons	216,796 tons
% of pre-consumer waste sent to reuse or recycling	56.9%	90.6%
% of textiles and fabric destroyed (sent to incineration)	9.2%	0.3%

* All core T1 supplier factories Apparel, Footwear & Accessories (65 factories)

** Core T2 supplier factories Leather, PU and Textiles (43 factories)

TAKEBACK SCHEMES

To demonstrate our responsibility as a producer and to secure options for more circular material streams in the future, we have set a target to join or offer takeback schemes in all our major markets by 2025.

During 2022 we introduced our footwear takeback scheme for Australia, complementing our existing takeback pilot schemes in Hong Kong, USA and the participant clubs of the RE:Fiber project. Our colleagues at PUMA North America continued to work with Soles for Souls and collected 600 kg of used shoes, an initiative where shoes can be donated for reuse in support of a charitable cause. Our colleagues in Australia were able to collect 2,749 kg of used products.

Since September 2019 PUMA customers in Hong Kong have the possibility to put their used sportswear to good use and support disadvantaged communities across the world, as we teamed up with the non-profit organization, Crossroads Foundation. Hong Kong customers can donate used garments of all brands at PUMA recycling bins, which have been set up in four selected stores. For every bag of clothing that is donated, customers receive a 20% discount voucher for their next purchase. 130 kg and 104 kg of garments were donated to the Cross Foundation in 2020 and 2021, respectively. In 2022 we delivered 264.5 kg of used garments.

In addition, our German takeback partner Soex/I:CO has received over 3,303 kg of textiles for recycling from PUMA and was able to recycle 2,860 kg of this amount, while the rest had to be incinerated with energy recovery.



SWOP SHOPS

SWOP shops are a free and local exchange where people can pass on things they no longer want, in exchange for something they need. It helps renewing a wardrobe without having to shop for something new. Products get a new chance to be worn again and it promotes sustainability in a fun way. In 2022 the third PUMA SWOP Shop was held in Hong Kong during a 5-day event to promote a “recycle and reuse” culture. It was a public event to swap clothes and accessories. More than 1,200 guests joined and more than 3,200 items were given (more than 2 items per guest). 55 boxes of garments were donated to two NGOs: Crossroads and Redress. Another SWOP Shop took place for the first time in our Headquarters in Germany for our own employees. Over 500 items were swapped and the remaining ones were donated to our employees’ charity organization, Charity Cat.



SWOP Shop in Hong Kong

UNSELLABLE PRODUCTS

We are aware that given contractual restrictions, a certain number of unsold products must be occasionally discarded, for example when a license contract with a partner club expires. We have a process in place to ensure that this happens to PUMA products only in exceptional circumstances. Our production forecasts are as accurate as possible to actively prevent high product inventories and their intrinsic management costs. Unsold seasonal products will be placed through different channels until they are sold. Returned products which have not been worn will be placed on sale again. Returned products with small defects but in good condition are donated and only returned products which are very worn or severely damaged need to be discarded. No new products should be destroyed without the explicit demand of an expiring licensing partner and not as a solution for inventory management. We have created a reporting structure to identify with accuracy the quantity and reasons for such cases. In 2022, about 0.06% of the total number of articles produced in 2022 had to be discarded (globally). These products were sent to a recycling facility (where available) and in the countries where such recycling facilities do not exist, the products were shredded.



In 2022 PUMA Turkey opened an upcycling pop-up store, giving unwanted clothes another life and turning them into new garments with a new value, to tackle the problem that thousands of defective products otherwise would have gone to waste. To sell the items, the team opened a pop-up store at the Kanyon Mall in Istanbul to sell 3,000 items that were upcycled in collaboration with fashion designer, Custom Rebels. Following the positive reception of the pop-up store, a permanent shop was opened in Karaköy, one of the most popular districts in Istanbul.



Left: Pop-Up store is Kanyon Mall. Right: Karaköy store

WASTE ROADMAP AND RISK ASSESSMENT

In 2021 we developed a waste reduction roadmap and conducted a risk assessment.

The waste data published in our report not only includes material waste, they also include factory and office operation waste: cardboard, paper, plastic, light bulbs, etc. to ensure a comprehensive scope covered for the waste generated on production sites. We see plastics, chemicals, oil lubricant waste and e-waste as high risk. To prioritize these risks, we engaged with other brands and INSEE (a cement company that offers waste treatment services using co-processing technology in Vietnam, Cambodia, Bangladesh and Indonesia). To prioritize our actions, we analyzed waste data collected in 2020 and the Higg FEM waste management score of our core factories.

Below are key focus areas for the coming years. Some actions were taken in 2021 and are reported below.

- **Raise awareness:** As a part of Higg FEM training, we have provided training to the suppliers on how to improve their score in the waste section. The targets on reducing waste to landfill were communicated to the suppliers during the quarterly supplier meetings.
- **Knowledge of impact:** We conduct a life cycle assessment of our top five products, including end of life, two LCA results are reported under the **Product** section of this report. Some of our apparel suppliers have initiated recycling of pre-consumer cutting waste back into the spinning process. In 2022 we initiated a life cycle assessment to compare virgin cotton fabric with a 75/25 blend of virgin and recycled cotton.
- **Internal action:** We translated Higg FEM into the PUMA grading system to include our supplier environmental performance in our vendor scorecard used by our sourcing leaders. We improved waste data collected in 2021 and 2022 and will increase the data collection frequency. We require our core suppliers to set waste reduction targets. We will keep our focus on increasing the use of recycled



material in our products. In the last two years, i.e. during 2021 and 2022, we focused on better data collection on waste from supplier's facilities, and we observed that factories have started reporting comprehensive data on waste.

- **Collaboration and partnership:** We will map further waste governance in our key sourcing countries and conduct local key stakeholder mapping to explore opportunities for a collaborative approach. We participated in a project named CL2B Closed Loop 2 Balance in Vietnam. We are exploring collaboration on a recycling project. In 2022 we became a Global Fashion Agenda partner.

CASE STUDY

Tong Hong Tannery is one of the largest split leather producers in the world with production bases in Vietnam, China & Indonesia. In Vietnam the factory has received a Leather Working Group (LWG) Gold Medal and been ISO 14001:2015-certified for its environmental management system. Their most recent and significant action toward sustainability is the establishment of a waste conversion plant in 2020 within the factory premises. The project when implemented at scale is expected to enable 100% recycling of split leather waste, which accounts for 60% of raw material input which is otherwise being end up totally in landfill. While 20% of this waste will be sent out for recycled split leather/suede products, the conversion plant is expected to recycle 80% of waste into gelatin. The latter then will be sent to another party as input material for adhesive production.



PRODUCTS

Target description:

- 90% of PUMA Apparel and Accessories products contain >50% more sustainable materials
- 90% of our Footwear contains at least one more sustainable component
- Increase use of recycled polyester (Apparel and Accessories) to 75% by 2025

Relates to United Nations Sustainable Development Goal 12



KPIs:

- Percentage of Apparel and Accessories with 50% more sustainable material
- Percentage of Footwear with at least one more sustainable component
- Percentage of recycled polyester used in Apparel and Accessories

The PUMA Environmental Profit and Loss Account (EP&L) attributes more than 50% of our environmental impact to material and raw material production. Against this background, we have decided to prioritize the large-scale use of more sustainable raw materials. In our 10FOR25 strategy, we have set 100% targets for more sustainable raw materials such as cotton, polyester, leather and cardboard.

In addition to measuring the use of more sustainable materials, we also determine the percentage of more sustainable products, that is, products made with a significant proportion of more sustainable materials. As defined in our PUMA Sustainability Index, or S-Index, more sustainable apparel or accessories products contain at least 50% more sustainable materials by weight. For footwear, we currently measure sustainability by including one or more main components* made from more sustainable materials.

During 2021 we developed and rolled out an E-Learning toolkit on more sustainable products and our PUMA S-Index for the PUMA family. The training allows designers, developers and product managers to understand which materials qualify as more sustainable, how the PUMA S-Index is calculated, and which certifications need to be in place to externally communicate on a product level. The training was completed by over 1,300 PUMA colleagues in the last two years.

* Main component in the upper includes visible upper and its components, linings, sockliner and strobel as the only non-visible component. They can be made of textile, leather, synthetic (PU) or TPU. It excludes trims such as eyelets, laces, counters, decorations, etc. Main component in the bottom includes outsoles, midsoles and insoles. They can be made of Rubber, PU, TPU, EVA. It excludes trims and decorations.

**➤ G.31 PUMA FOREVER BETTER PYRAMID****➤ T.30 MORE SUSTAINABLE PRODUCTS***

Product Category	Styles 2022	Volume 2022	Target 2025
Apparel with at least 50% more sustainable material	67%	79%	90%
Accessories with at least 50% more sustainable material	31%	46%	90%
Footwear with at least one more sustainable component	48%	61%	90%
Total	58%	68%	90%
Number of vegan styles	170 styles		

* Excluding products from stichd; for further details on the reporting scope please refer to [Scope of the Report](#) section.



Throughout 2022 we expanded our range of collections made from more sustainable materials. Highlights include RE:COLLECTION, a line of products from Sportstyle, Run & Train, Accessories and Motorsport, which are made from recycled cotton and recycled polyester. Depending on the style, RE:COLLECTION pieces contain between 20% and 100% recycled cotton and recycled polyester as well as cutting waste used to reinforce the uppers of RE:COLLECTION's lifestyle footwear. Other highlights include Downtown, a collection where we scale the use of recycled cotton, as well as a continuation of our PUMA x FIRST MILE collection, which includes performance products from Run & Train and high-performance football boots made from recycled polyester.



In the RE:COLLECTION sustainability takes centre stage with the use of recycled materials



PRODUCT LIFE CYCLE ASSESSMENT

At PUMA sustainability is central to all business strategies. As we want to make our products more sustainable, we continued the Life Cycle Assessment (LCA) studies of our product portfolios in 2022.

The outcomes of an LCA act as a quantifiable measure of our efforts towards embedding sustainability in our products by exploring ways to make our product value chains safer, cleaner and more sustainable. It also encourages innovation in our products and processes to meet increasing social and business expectations regarding sustainability and transparency.

LCA OF TWO PRODUCTS

This year we completed a screening LCA study for two of our top products, namely the Liga Jersey Core, an apparel T-Shirt and the Phase Backpack, an accessory product to map the environmental footprint of these products across their entire value chains (cradle to grave) as per ISO 14040 and 14044 standards. This assessment has helped us understand the hotspots in the value chain. It will also help to identify sustainable options in various phases, which can be further explored to improve the product's environmental footprint.

The products studied are:



T Shirt - Liga Jersey Core, net weight 0.136 kg



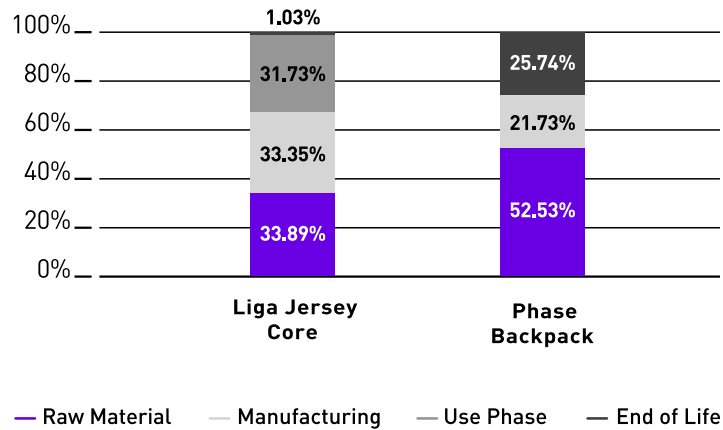
Backpack - Phase Backpack, net weight 0.284 kg

Sphera, a leading consulting organization in the field of LCA, has conducted LCA studies to consider all elements of the life cycle, from the overall manufacturing including supply of material and energy carriers to the end of life, when analyzing the environmental performance of the products.



Results of the analysis can be summarized as follows:

6.32 GLOBAL WARMING POTENTIAL



For the Liga Jersey Core shirt, the global warming potential (GWP) in kg CO₂e has been influenced by raw materials which include polyester fabric, chemicals etc. (33.89%), manufacturing energy (33.35%) and use phase (31.73%).

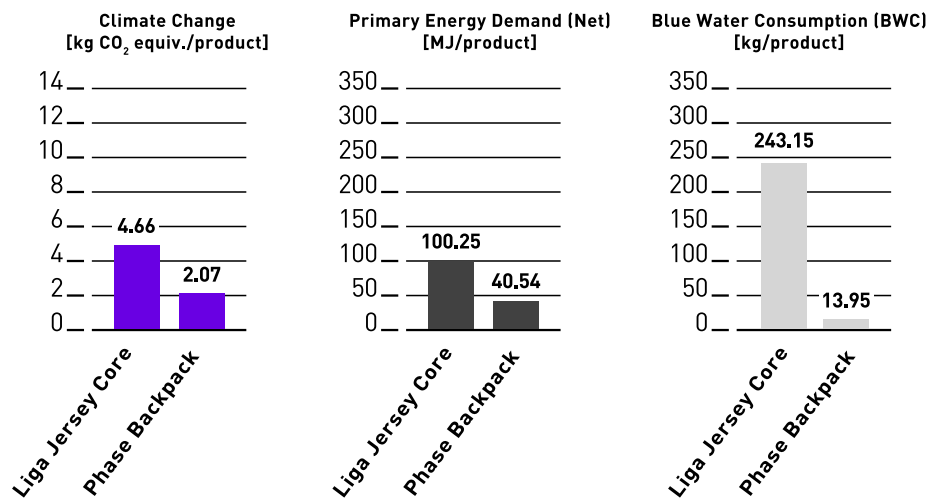
For the Phase Backpack, the global warming potential (GWP in kg CO₂e) has been influenced by materials which include body material, parts and component (52.53%), manufacturing energy (21.73%), and end of life (25.74%). Polyester and polyurethane are major contributing materials.

Backpacks usually don't require extensive cleaning during their lifetime, and hence the impact of the use phase is negligible. Therefore, the GHG emissions of the use phase from the backpack is not considered. However, in case of apparel products, the use phase contributes to about ~32% GWP impact, owing to energy consumption associated with washing and drying.

The end-of-life phase includes reuse, recycling, incineration and landfilling based on European scenarios, which contributes to GWP impacts of about ~1% for the T-shirt and ~26% for the backpack.



6.33 PRODUCT ENVIRONMENTAL FOOTPRINT



* Primary energy is the energy that is harvested directly from natural resources: coal, oil, natural gas and uranium.

** Blue water is water that has been sourced from surface or groundwater resources and is either evaporated or incorporated into a product.

For the t-shirt the total global warming potential is 4.66 kg CO₂e. The total primary energy demand is 100.25 MJ with major contributions from the polyester fabric (43.37%), fabric manufacturing (11.75%) and use phase (30.98%). The total blue water consumption is 243.15 kg with major contributions from use phase (79.22%), and the remaining contribution from materials (mainly polyester), chemicals, electricity and fuel.

For the backpack the total global warming potential is 2.07 kg CO₂e. The total primary energy demand is 40.54 MJ with major contributions from materials, which include body material (50.36%), parts and component (26.68%) and manufacturing energy (18.03%). The total blue water consumption is 13.95 kg with major contributions from polyester (25%), natural rubber (11%) and manufacturing energy (44%).

The supply chain for apparel and backpack products is quite complex and vast, which involves multiple stages such as raw material extraction, processing, finishing, assembly, distribution, use and end of life. The LCA study is used as a lens to understand the value chain environmental impacts of our products.

PUMA now intends to use the outcomes of the study to increase internal awareness and improve the product environmental footprint by increasing the use of more sustainable materials (recycled or biosynthetic), improving resource efficiency, optimizing energy use, promoting renewable energy in the value chain, and enhancing the circularity of our products.



COMPARATIVE LCA: RE:SUEDE VS. CONVENTIONAL SUEDE

In 2022 PUMA engaged Sphera, Inc. to conduct a comparative Life Cycle Assessment (LCA) of the RE:SUEDE sneaker and the standard SUEDE model as per ISO 14040 and ISO 14044 requirements using the “cradle to grave” approach. The main objective of this study is to quantify the environmental impacts associated with production of the RE:SUEDE and the SUEDE using the LCA approach. A third-party critical review panel was commissioned to peer review the work and ensure compliance with the mentioned standards.

The products studied are:



Conventional SUEDE product, net weight 0.831 kg



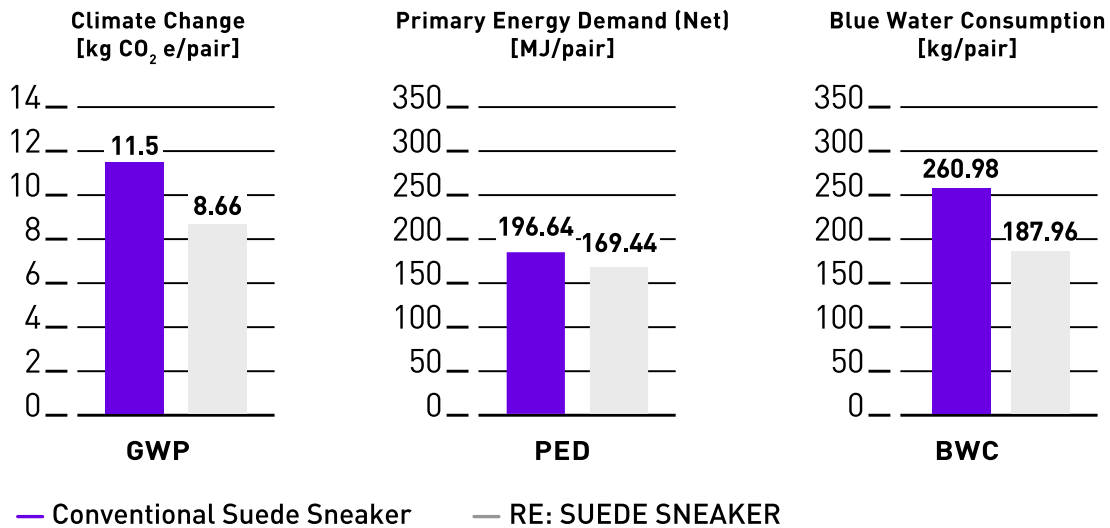
RE:SUEDE sneaker, net weight 0.763 kg

The scope of this study includes raw material sourcing and extraction, transport of raw materials to the sneaker manufacturing location, manufacturing of the sneaker product, product distribution and end of life (EoL) of product and packaging.

The LCA study indicates that the RE:SUEDE sneaker has a smaller carbon footprint (24.7% lower, excluding biogenic carbon) as compared to the conventional SUEDE sneaker. Although the end-of-life greenhouse gas emissions of RE:SUEDE are lower than conventional SUEDE because of higher biodegradability, they are not as significant as the GHG reduction due to the selection of raw materials, such as zeolite tanned suede leather, hemp fibers, biodegradable TPE and organic cotton.

The LCA Study also indicates that the water consumption per pair of RE:SUEDE is 28% lower as compared to conventional suede. Water consumption is lowered mainly using zeolite tanned suede leather.

Sneaker products usually don't require extensive cleaning during their lifetime, and hence the impact of the use phase is negligible. Therefore, the GHG emissions of the use phase for both sneakers are not considered.

**7 G.34 ENVIRONMENTAL FOOTPRINT CONVENTIONAL SUEDE AND RE:SUEDE**

* Primary energy is the energy that is harvested directly from natural resources: coal, oil, natural gas and uranium.

** Blue water is water that has been sourced from surface or groundwater resources and is either evaporated or incorporated into a product.

End of life phase includes reuse, recycling, incineration and landfilling based on European scenarios, which contributes to about 0.23% to 0.78% in GWP impacts.

For the conventional SUEDE, the total global warming potential is 11.5 kg CO₂e. The total primary energy demand is 196.64 MJ with major contributions from materials (suede 41.25% and synthetic rubber 36.21%), and electricity (20%). The total blue water consumption is 260.98 kg with major contributions from materials (suede 47.56% and cotton 28.63%) and electricity (13%).

For RE:SUEDE the total global warming potential is 8.66 kg CO₂e. The total primary energy demand is 169.44 MJ with major contributions from materials (mainly zeolite tanned suede 33.73% and biodegradable TPE 29.16%), electricity (24%) and packaging (10%). The total blue water consumption is 187.96 kg with major contributions from materials (mainly zeolite tanned suede 58.26%, cotton 11.69% and electricity 18%).

PUMA now intends to use the outcomes of the study to communicate to our consumers on the environmental benefits of more sustainable products like RE:SUEDE and the development of variants of RE:SUEDE and similar products in the future. In 2023 we plan to conduct a follow up LCA with new variants of RE:SUEDE.

MATERIAL ORIGIN

Mapping and assessing risk and impact practices in the lower tiers of the supply chain helps us identify opportunities for improvement and be better integrated at a strategic level. We sourced around 37,000 tons of cotton in 2022. In order to reach our 100% targets for more sustainable cotton, we have required our suppliers to source only cotton from farms which are licensed or certified as having good farming and human rights standards, or recycled cotton. 99% of the cotton comes from Brazil, Australia, USA, Bangladesh and Ivory Coast.



In parallel, we work on improving the traceability of the leather we use through recording via traceability score of our leather manufacturers certified by the Leather Working Group. We sourced approximately 3,900 tons of bovine leather in 2022. The leather used in PUMA footwear comes from the USA (44%), Argentina (24.4%), China (13.2%), Australia (7.4%), France (4.4%), Uruguay (2.5%), Paraguay (1.9%), Italy (1.5%), Columbia (0.7%) and Brazil (0.3%).

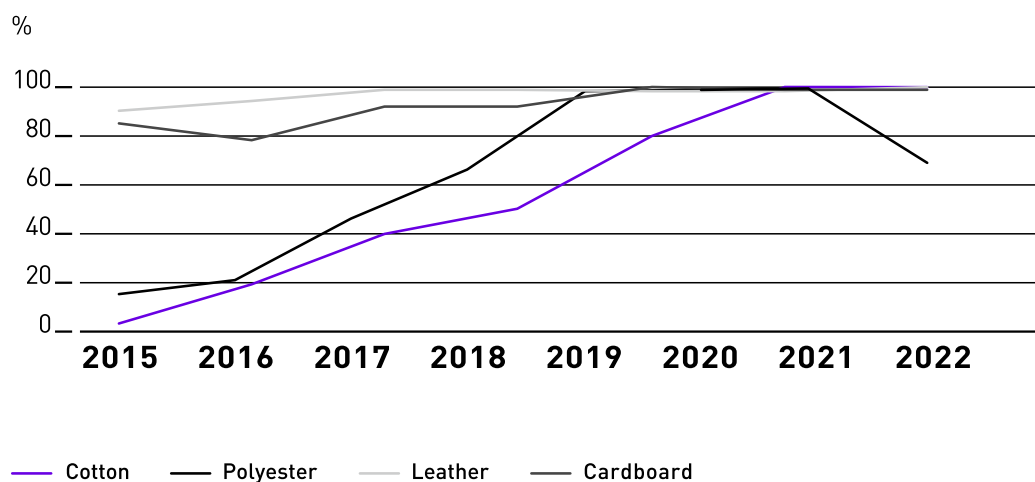
We monitor our LWG (Leather Working Group) medal-rated tanneries' traceability performance. Most suede tanneries work with agents and intermediaries besides direct tanneries to guarantee a stable sourcing supply. Suede is a byproduct of the full grain leather business. This creates a challenge to have full traceability. This explains why our suede leather LWG tanneries have a lower traceability performance than full grain LWG tanneries. We nevertheless aim to increase all our LWG medal-rated tanneries' traceability performance over time.

“Leather Working Group is encouraged by the progress that PUMA has made to reach their more sustainable materials targets and to achieve the milestone of sourcing all their leather from LWG certified sites. PUMA is an active and valued member of Leather Working Group with their participation in projects focused on developing traceability within the leather supply chain contributing to progress for the industry as a whole.”

VANESSA BRAIN
Senior Traceability Manager, Leather Working Group

MATERIAL CONSUMPTION DATA

➤ G.35 MORE SUSTAINABLE MATERIALS DEVELOPMENT*



* Cotton & polyester including apparel and accessories material (including trims)

As in previous years, a significant percentage of our more sustainable materials can be attributed to more sustainable cotton either from the Better Cotton Initiative or recycled cotton, to more sustainable polyester either bluesign® or OEKO-TEX®-certified or recycled polyester, and more sustainable leather sourced from



Leather Working Group (LWG)-certified tanneries. In addition, we only use down feathers certified by the Responsible Down Standard, and 97% of our viscose is made by green shirt rated viscose suppliers with a proven track record on sustainability through the Hot button report from the NGO Canopy. Therefore, more than 79% of our apparel, 46% of accessories and 61% of footwear products are already classified as more sustainable products, in line with the definition in our PUMA Sustainability Index.

Coverage and calculation are more complex for footwear because all our shoes are made from several components. As main materials we use polyester, polyurethane, rubber, leather and nylon. In line with our earlier targets, we have achieved 100% coverage of leather sourced from LWG-certified tanneries.

In 2022, 99.8% of the cotton used came from a more sustainable source as well as 70% of our polyester.

We hardly used wool throughout 2022 (415 kg), thus we have not yet initiated Responsible Wool Standards, but we still aim to reach 100% certified wool in 2025.

➤ T.31 DEVELOPMENT OF MORE SUSTAINABLE MATERIAL USAGE*

	Apparel	Accessories	Footwear	Total
Cotton				
Conventional	0.02%	0.2%	93.7%	0.21%
Recycled	3.6%		2.4%	3.6%
Organic	0%	0%	0.1%	0.00%
Better Cotton	96.4%	99.8%	3%	96.2%
Polyester				
Conventional	8.7%	39.4%	59.4%	29.5%
Recycled	55.3%	26.7%	40.6%	47.6%
Bluesign	13.6%			7.5%
Oekotex	21.4%	33.9%		14.8%
Manmade Cellulosics				
Green Shirt-rated fiber producers**	72.9%			72.9%
Ecovero	24.3%			24.3%
Modal	1.8%			1.8%
Lyocell	1%			1%
Polyamide (nylon)				
Conventional	69.1%	100%	100%	86%
Bluesign	29.7%			13.4%
Recycled	1.1%			0.5%



	Apparel	Accessories	Footwear	Total
Leather				
LWG medal-rated tannery			100%	100%
Rubber				
Synthetic	12.9%		92.5%	92.5%
Natural	87.1%		5.5%	5.5%
Recycled			2%	2%
PU				
Conventional		100%	99.6%	99.6%
Recycled			0.2%	0.2%
Water-based			0.1%	0.1%
Down				
Certified RDS	100%			100%

* Figures include trims and exclude licensee production as well as production from stitchd. For further details on the reporting scope, please refer to the [Scope of the Report](#) section.

** Green Shirt-rated fiber producers, as set by the annual [Canopy Hot Button](#) report, encourage existing fiber suppliers to commit to CanopyStyle and a Canopy Audit.

**➤ T.32 MORE SUSTAINABLE MATERIALS BY PRODUCT DIVISION***

	2022	2025 target
Apparel		
More sustainable cotton	100%	100%
More sustainable polyester	90.3%	100%
More sustainable viscose	97.3%	100%
Accessories		
More sustainable cotton	99.8%	100%
More sustainable polyester	60.6%	100%
Footwear		
More sustainable cotton	6%	100%
More sustainable polyester	41%	100%
More sustainable leather	100%	100%
More sustainable PU	0.4%	NA
L&P paper/cardboard products**		
Recycled and/or FSC-certified	99.4%	100%

* Figures include trims and exclude licensee production as well as production from stitchd. For further details on the reporting scope, please refer to the [Scope of the Report](#) section.

** Including outer cardboard boxes, which were excluded in previous years.

➤ T.33 NUMBER OF FACTORIES WITH CERTIFICATION

Number of factories certified	GRS/RCS	GOTS	OCS	RDS	LWG
Apparel & accessories T1 & T2	107	43	15	3	NA
Footwear T1 & T2	38			NA	NA
Leather tanneries					29 Gold 8 Silver 1 Bronze

GRS: Global Recycling Standard; RCS: Recycled Content Standard; OCS: Organic Content Standard; GOTS: Global Organic Content Standard; RDS: Responsible Down Standard; LWG: Leather Working Group.

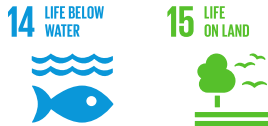


BIODIVERSITY

Target description:

- Support the industry in setting a science-based target for biodiversity
- 100% cotton, leather and down procured from certified sources (shared target)
- Zero use of exotic skins and hides

Relates to United Nations Sustainable Development Goals 14 and 15



In 2022 the world's biodiversity experts and politicians met in Montreal for the biodiversity COP 15 and agreed to conserve 30% of the world's land and oceans by 2030.

Consequently, we have dedicated one of our 10FOR25 sustainability targets to biodiversity. While most of PUMA's biodiversity impact is routed in the supply chain, we include biodiversity checks in our annual environmental data collection for our own offices, stores and warehouses around the globe.

These checks confirm that none of our PUMA sites are located within a protected area. We have identified one site in South Africa, as being located next to a protected area, which holds a rare species of the plant, Renosterveld Finbos. This site is an office location, and fenced off from the protected area, so that any negative impact on these plants can be excluded.

There are green roofs on our German headquarters, as well as our (outsourced) German central logistics center, which offer additional habitats for insects as well as wildflower meadows and beehives to allow for an active bee population at both sites.

**➤ T.34 SUSTAINABLY SOURCED NATURAL MATERIALS***

Sub-targets	2022*	2021	Target 2025
Science-Based Target (SBT)	Fund Biodiversity Landscape Report	Joined Fashion Pact activities on biodiversity	SBT set
Cotton (BCI** and/or recycled)	99.8%	99%	100%
Leather (LWG-certified tanneries)	100%	99.9%	100%
Down (RDS-certified)	100%	100%	100%
Sustainably sourced viscose / MMCF	97%	38%	100%
Cardboard and paper (FSC and/or recycled)	99.4%***	99% (product packaging supply chain)	100%
Number of vegan styles	170	29	NA

* Including trims and excluding licensee production

** Better Cotton Initiative (BCI) principle: Biodiversity and Land Use is one of the seven **Better Cotton Principles and Criteria**. Management practices address identifying and mapping biodiversity resources, identifying and restoring degraded areas, enhancing populations of beneficial insects, ensuring crop rotation and protecting riparian areas.

*** Including outer cardboard

Many species, including plants, animals, bacteria and fungi are being threatened with extinction due to human activities such as deforestation, putting the earth's magnificent biodiversity at risk. Apparel supply chains are directly linked to soil degradation, conversion of natural ecosystems and waterway pollution.

Two thirds of apparel shoppers say that limiting the impact on climate change is now more important to them than before COVID-19.*

PUMA is a signatory of the Fashion Pact, a global initiative of companies in the fashion and textile industry (ready-to-wear, sport, lifestyle and luxury), all committed to a common core of key environmental goals in three areas mitigating global warming, restoring biodiversity and protecting the oceans.

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. In 2019 PUMA published its science-based emissions target (SBT) with the SBT Coalition and joined the Fashion Pact. In 2022 this science-based emissions target was updated and aligned with a 1.5-degree climate pathway.

Please see the **Climate** section of this report for climate action and progress.

Most of the negative impact on biodiversity comes from three stages in the value chain – raw material production, material preparation and processing, and end of life.

To mitigate the risk of biodiversity loss due to the production process, we address environmental pollution risk through our targets and suppliers' program on climate, chemicals, water and air.

In 2021 we developed roadmaps for water and waste, which can be found in the Water and Air, Plastics and the Oceans sections of this report. In 2022 we developed a biodiversity roadmap using the Fashion Pact Biodiversity Strategy Tool Navigator that is in line with SBTN recommendations.

* Biodiversity: The next frontier in sustainable fashion – McKinsey.



BIODIVERSITY ROADMAP

Scope: Cotton, Leather, Rubber, Paper, MMCF, Synthetics, Wool

Below are key focus areas for the coming years. Some actions were taken in 2022 and are reported in this report.

- **Raise awareness:** We see the need to increase internal awareness and thus will be developing e-learning on biodiversity for our staff. We also see the need to increase the awareness of our consumers, either by reporting decreases in biodiversity loss in our Annual Report or exploring marketing campaigns to engage customers' awareness. We aim to keep a transparent disclosure to keep a strong relationship with stakeholders while informing on biodiversity actions. In 2022, PUMA sponsored a report as an opportunity to show collaboration and knowledge-sharing in biodiversity. Together with Textile Exchange, Conservation International and the Fashion Pact, the Biodiversity Landscape Analysis report aims to provide a common reference point on the topic of biodiversity in the textile industry, and to offer concrete pathways for brands and retailers to deepen their engagement. The report intends to support companies of all sizes and maturities in beginning or continuing their biodiversity journey and will be published in 2023.
- **Knowledge of impact:** We will explore traceability tools and conduct impact assessments, starting with leather and rubber in 2023. We collect material and packaging data consumption on an annual basis for the country of origin. For example, leather used in PUMA products originates to a small percentage from South America, where deforestation is occurring at a rapid pace. Our EP&L identifies our environmental impact distribution along our value chain, for example, land use change per country, material type and tier level. The estimation of the potential financial impact on land use was approximately € 150 million, from our 2022 EP&L.
- **Internal action:** We will define a KPI to be included in a supplier scorecard (environmental & chemical) and set biodiversity targets as well as traceability targets, starting with leather. We set goals to reach 100% cotton, leather, viscose, paper packaging and down procured from certified sources in 2025. Both cotton farming and cattle ranching require extensive land use and have been cited to reduce biodiversity, 99.8% of cotton used in PUMA products are BCI or recycled cotton. 100% of the leather used in our footwear is sourced from LWG medal rated tanneries. Leather 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. 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 man-made cellulosic materials (such as viscose) as well as paper and cardboard, does not contribute to deforestation. 99.4% of our paper packaging is either recycled and/or FSC-certified. We commit to sourcing 100% of our viscose from suppliers committed to reducing the risk of sourcing from ancient and endangered forests. In 2022, 97% of viscose was sourced from Green Shirt-rated suppliers. We hardly used wool throughout 2022 (less than one ton), thus we have not yet initiated Responsible Wool Standards, but we still aim to reach 100% certified responsible wool in 2025.
- **Collaboration and partnership:** PUMA joined the Fashion Pact, a global coalition of companies in the fashion and textile industry that is committed to stopping global warming, restoring biodiversity and protecting the oceans. PUMA joined the Fashion Charter, committed to source 100% of priority materials as preferred materials by 2030 (material for which no natural ecosystems are converted or deforested). In 2021 we engaged with Canopy, who helped us develop our policy on forest protection. We also engaged with Canopy's initiatives: CanopyStyle and Pack4good. Through these initiatives we started investigating the next generation of raw materials with a focus on biobased materials, such as wheat straw, as a partial substitute for paper in our shopping paper bags.



In 2021 we published the PUMA biodiversity policy and animal welfare policy, to create a framework for our approach related to biodiversity and animal welfare. These policies are available for download on our [website](#).

As part of the Fashion Pact, we commit to support the development of science-based targets on biodiversity.

“We congratulate PUMA for their active engagement in providing direction and guidance for the fashion industry to act for the preservation of biodiversity through the sponsoring of the Biodiversity Landscape Analysis. We strongly acknowledge their courageous leadership in moving ahead and developing a biodiversity roadmap in line with science-based target for nature recommendations. These are the critical first steps to understanding our impact as an industry and transforming companies’ relationship with nature.”

EVA VON ALVENSLEBEN
Executive Director and Secretary General, The Fashion Pact

To help the protection of endangered forests and species, PUMA commits not to use any wood or wood-derived fabrics made from ancient and endangered forests.

- PUMA engages as a supporting partner of the CanopyStyle initiative, aiming to source our viscose only from Green Shirt-rated suppliers.
- We commit to sourcing the leather used in PUMA products only from manufacturers who implement industry good practice standards of environmental management and traceability, such as the leather working group.
- We commit to sourcing all our paper and paper-based packaging from recycled sources and/or Forest Stewardship Council-certified sources. PUMA is engaging as a partner of Canopy’s Pack4Good initiative to collectively reduce any risk of sourcing from ancient and endangered forests by 2022 and promoting next generation solutions.

At PUMA we care for the welfare of animals. We do not accept the use of animal products which originate from animals which have been treated inhumanely. Therefore, we aim to implement high welfare and traceability standards and have published an Animal Welfare Policy. PUMA consults animal protection organizations on a regular basis to review our policy and actions. As a concrete action to support animal welfare, we will phase out the use of kangaroo leather during 2023.

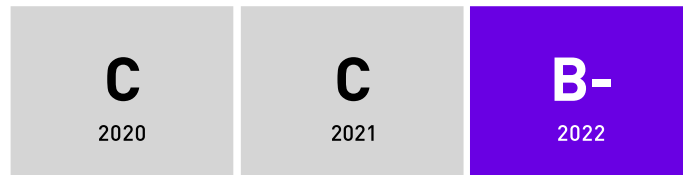
“PUMA’s willingness to do better for animals is shown through their continuous steps forward to improve their animal protection policies, including most recently to end their use of Kangaroo skin and joining the Fur Free Retailer Program. PUMA’s progress is admirable, and we commend their team for their dedication to sustaining this positive journey.”

ANNE WESSENDORF
Textile Campaigner and Corporate Manager, FOUR PAWS



PUMA CDP FOREST SCORE

➤ G.36 2022 PUMA CDP FOREST SCORE



PUMA's CDP Forestry score improved from C in 2021 to B- in 2022. PUMA's rating is better than the average performance of the sector (textile and fabric goods) with an average rating of C. The overall global average rating stands at C.



ENVIRONMENTAL KEY PERFORMANCE DATA

During 2021 we revisited the methodology of our PUMA Environmental Profit and Loss Account, or EP&L.

The methodology, which was developed in 2011 by PWC and Truecost, and later further refined by Kering with the help of PWC, mainly relies on material input and spend data.

During our review, we realized that many savings made by our Tier 1 and Tier 2 suppliers had not been captured by the EP&L methodology, and for some of our major materials used, such as Better Cotton, no specific EP&L emission factors have been developed.

Therefore, we decided to pause the publication of our EP&L for 2021 and rework the methodology to more accurately reflect our environmental performance in the future.

This work has now progressed, so that we are sharing our EP&L results in accordance with the new methodology for 2020, 2021 and 2022.

However, we are still in the process of fully aligning our EP&L methodology for Tiers 3 and 4 with internal and external standards. As a result, the table below differs from our Scope 3 emission calculation in the Climate section and also results in a high water value for Tier 3 due to some wet processing for leather and polyester being attributed to Tier 3.

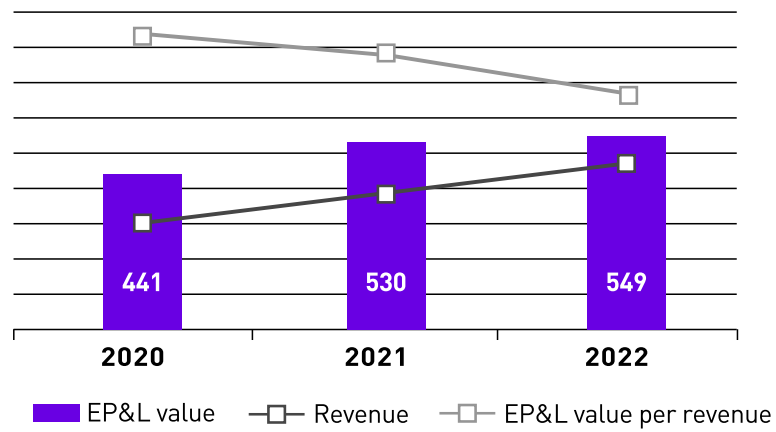
We will further work on the alignment of methodologies to strengthen the EP&L as a valuable risk assessment and information tool.

G.37 EP&L RESULTS 2022

			Tier 0 Own operations	Tier 1 Product manufacturing	Tier 2 Component manufacturing	Tier 3 Raw material processing	Tier 4 Raw material production
Total EP&L Value 2022: € 549 million	Air pollution	8%	.	●	●	●	●
	GHG emission	28%	●	●	●	●	●
	Land use	26%	.	.	.	●	●
	Waste	2%	.	●	●	●	●
	Water use	21%	.	●	●	●	●
	Water pollution	14%	.	.	.	●	●
	Total	100%	2%	6%	8%	28%	55%



➤ G.38 EP&L TREND 2020 – 2022



As in previous years, we are also reporting the underlying datasets as [Environmental Key Performance Indicators](#) in this chapter.



T.35 E-KPIS - PAPER

Paper ^{1,4}	2022	2021	2020	2019	2018	2017	% change 2021/2022	% change 2017/2022
Paper and cardboard consumption PUMA (tons)*	5,021	4,152	2,638	2,281	2,292	2,756	21%	82%
Certified or recycled paper and cardboard consumption PUMA (tons)	4,393	3,306	1,848	1,818	1,120	2,025	33%	117%
Percentage of certified or recycled paper consumption (%)	87%	80%	70%	80%	49%	74%		
Paper and cardboard consumption from PUMA production (shoe boxes, hangtags) (tons)	30,656	19,670**	18,538	14,863	13,607	14,129	55.8%	116.8%
Percentage of certified or recycled paper and cardboard consumption from PUMA production (%)	99%	88%**	99%	100%	98%	n/a		

* Including paper bags, office paper and cardboard consumption

** Including outer cardboard boxes

1 PUMA figures include PUMA owned or operated offices, warehouses and stores. Includes our own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistics providers. Franchised stores are excluded.

2 PUMA production figures include Core T1 supplier factories, Apparel, Footwear & Accessories (62 factories) and Core T2 supplier factories, Leather, PU and Textiles (43 factories).

3 Data includes extrapolations or estimates where no real data could be provided.

4 Methodological changes over the last three years have influenced results.



T.36 E-KPIS PUMA – ENERGY

Energy (MWh) ¹⁻³	2022	2021	2020	2019	2018	2017	% change 2021/2022	% change 2017/2022
Total energy from electricity	75,269	67,866	61,365	61,499	66,512	64,119	11%	18%
Non-renewable electricity consumption	0	0	0	12,683	29,766	52,508	-	-100%
Electricity consumption from renewable sources (green tariffs and on-site photovoltaics)	15,697	13,749	10,839	11,547	11,695	11,611	14%	35%
Percentage of renewable electricity consumption (excluding EACs)	21%	20%	18%	19%	18%	18%		
Electricity consumption guaranteed with EACs	59,572	54,117	50,526	37,269	25,051	0	10%	n/a
Percentage of renewable electricity consumption (including EACs)	100%	100%	100%	79%	55%	18%		
Total energy from non-renewable fuels (oil, natural gas, etc.)	7,541	10,006	10,739	10,975	11,724	14,430	-25%	-48%
Total energy from district heating	5,483	10,795	6,247	7,915	5,734	5,155	-49%	6%
Total energy consumption (PUMA own entities)	88,293	88,666	78,350	80,389	83,970	83,704	0%	5%

- Figures include PUMA owned or operated offices, warehouses and stores. Includes our own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistics providers. Franchised stores are excluded.
- Data includes extrapolations or estimates where no real data could be provided.
- Methodological changes over the last three years have influenced results.

**➤ T.37 E-KPIS PUMA TIER 1 & TIER 2 PRODUCTION - ENERGY**

Energy (MWh) ¹	2022	2021	2020	2019	2018	2017	% change 2020/2022
PUMA production (Tier 1)²							
Non-renewable energy consumption from PUMA production (Tier 1)	292,459	331,199	221,641	246,160	195,866	194,881	34.6%
Renewable energy consumption from PUMA production (Tier 1)	37,322	17,763	3,013			294	1,144%
Percentage of renewable energy consumption from PUMA production- including I-REC	11.3%	5%	1%			0.2%	731.1%
PUMA production (core Tier 2)³							
Non-renewable energy consumption from PUMA production (core Tier 2)	744,940	795,673	607,310			586,986	22.7%
Renewable energy consumption from PUMA production (core Tier 2)	90,333	39,317	3,393			524	2,562.7%
Percentage of renewable energy consumption from PUMA production- including I-REC	10.8%	5%	0.6%			0.1%	1,846.8%

1 Data includes extrapolations or estimations where no real data could be provided.

2 Core T1 supplier factories, Apparel, Footwear & Accessories (62 factories)

3 Core T2 supplier factories, Leather, PU and Textiles (43 factories).

In line with our 10FOR25 target to achieve 25% share renewable energy for core Tier 1 and Tier 2 suppliers, we have set a goal of 10% renewable energy share for 2022. The share of renewable energy consumption by Tier 1 suppliers increased from 5% in 2021 to 11.3% in 2022. This is mainly achieved due to participation of the core suppliers in renewable energy projects, followed by installation of rooftop solar facilities and purchase of energy attribute certificates by the core Tier 1 suppliers. Although the share of renewable energy for Core Tier 2 suppliers has marginally increased in 2022, PUMA has purchased energy attribute certificates on behalf of its Tier 2 suppliers located in Vietnam to achieve the renewable energy target of 10%.



➤ T.38 A E-KPIS PUMA – WASTE AND WATER

Waste and Water ^{1,2}	2022	2021	2020	2019	2018	2017	% change 2021/2022	% change 2017/2022
Total waste (tons)	4,991	5,215	3,949*	3,644*	4,877	5,293	-4%	-6%
Recycled waste (tons)	3,007	2,220	1,436*	1,603*	2,282	3,419	35%	-12%
Recycled waste (%)	60%	43%	36%	44%	47%	65%		
Total water (m³)	147,227	116,829	96,569	89,676	95,291	106,397	26%	38%
Public network consumption (m³)	143,332	116,829	96,569	89,676	95,291	106,397	23%	35%
Rainwater consumption (m³)	3,895							

* Waste data for PUMA's own entities in 2019 and 2020 recalculated due to underreporting in these years

1 Figures include PUMA owned or operated offices, warehouses and stores. Includes own production sites in Argentina. All other production is outsourced to independent supplier factories, some warehouse operations are outsourced to independent logistics providers. Franchised stores are excluded

2 Data includes extrapolations or estimations where no real data could be provided

3 Methodological changes over the last three years have influenced results

➤ T.38 B E-KPIS PUMA CORE TIER 1 & TIER 2 PRODUCTION – WASTE AND WATER

Waste and water ¹	2022	2021	2020	2019	2018	2017	% change 2020/2022
PUMA production (Tier 1)²							
Waste from PUMA production (Tier 1 suppliers, tons)	34,642	33,806	23,498	24,205	16,682	14,686	47.4%
Percentage production waste to landfills (Tier 1)	12.9%	10%	9%				36.3%
Water from PUMA production Tier 1 suppliers (k m³)	2,551	2,706	2,332	2,572	2,030	2,149	9.4%
PUMA production (core Tier 2)³							
Waste from PUMA production (core Tier 2 suppliers, tons)	19,025	8,689	5,968			17,138	218.8%
Percentage production waste to landfills (core Tier 2)	4.0%	9%	18%				-77.3%
Water from PUMA production (core Tier 2) (k m³)	5,956	5,769	4,796			280	24.2%

1 Data includes extrapolations or estimations where no real data could be provided.

2 Includes core T1 supplier factories, Apparel, Footwear & Accessories (62 factories).

3 Includes core T2 supplier factories, Leather, PU and Textiles (43 factories).



Though we did not have any goals for absolute reduction in waste generation and water consumption from our core suppliers, we continue to track them. We can see that there is a 47% increase in production waste for Tier 1 suppliers and 218% from Tier 2 suppliers from 2020. This is mainly due to the improvement in waste data captured by the suppliers. Certain waste such as residual ash from coal and biomass boilers that were not captured by the Tier 2 suppliers earlier are now included. We also added nine new core factories for textile, which have not yet been engaged in cleaner production programs. At the same time, the production volume has increased by 33% for textiles and 62% for synthetic leather.

Similarly, in 2022 absolute water consumption marginally increased by 9% for Tier 1 suppliers and the same increased by 24% for Tier 2 suppliers as compared to the baseline of 2020. This is mainly due to an increase in production volume. If we compare the KPIs, water per pair of shoes has been reduced by 36% and for apparel it has been reduced by 17% per piece of garment. Therefore, we achieved our goal of a 6% reduction in the water KPI from 2020. Similarly, for leather the water KPI has been reduced by 17% and for textile, it has been reduced by 4.7%. For textile, we are marginally short of achieving our 2022 goal and hence we are going to focus more on water reduction from textile factories in 2023 and in the coming years. Water recycling plants implemented in 2022 by some of the large textile suppliers will have an impact from 2023 onwards.

PRODUCT-RELATED E-KPIs

Since 2017 we have also measured the average environmental key performance indicators (E-KPIs) from textile and leather manufacturing (Tier 2) and apparel and footwear manufacturing (Tier 1).

In 2022 the greenhouse gas emission KPIs have been reduced across the product divisions except for textiles, where they have slightly increased by 1.6% as compared to 2020. CO₂ emissions per pair of shoes have been reduced by 5%, by 14% per piece of garment and by 14% per square meter of leather.

This is mainly achieved due to various climate actions initiated as described in this report. The participation of core suppliers in cleaner production and renewable energy programs, the installation of rooftop solar projects and the purchase of IRECs are the main contributors for these reductions achieved in greenhouse gas emissions.

➤ T.39 FOOTWEAR E-KPI RESULTS (T1)

Summary of supplier e-KPIs			Weights				Change	Number of suppliers
Value	2022	2021	2020	2019	2018	2017	2020-2022	
Energy/pair (kWh)	1.36	1.41	1.31	1.30	1.25	1.40	4%	21
CO ₂ /pair (kg)	0.70	0.68	0.74	0.96	0.93	1.00	-5%	21
Water/pair (l)	9.62	11.95	15.08	15.21	12.30	14.50	-36%	21
Waste/pair (g)	133.94	140.88	144.80	126.66	108.51	115.90	-8%	21
Waste to landfills/pair (g)	12.33	19	24				-48%	

**➤ T.40 APPAREL E-KPI RESULTS (T1)**

Summary of supplier e-KPIs			Weights				Change	Number of suppliers
Value	2022	2021	2020	2019	2018	2017	2020-2022	
Energy/piece (kWh)	0.52	0.55	0.56	0.57	0.57	0.72	-6%	26
CO ₂ /piece (kg)	0.19	0.20	0.22	0.24	0.26	0.31	-14%	26
Water/piece (l)	3.83	4.23	4.60	4.39	4.20	7.58	-17%	26
Waste/piece (g)	58.18	62.33	54.27	56.33	46.50	44.00	7%	26
Waste to landfills/piece (g)	2.66	2.4	2.6				1%	

➤ T.41 LEATHER E-KPI RESULTS (T2)

Summary of supplier e-KPIs			Weights				Change	Number of factories
Value	2022	2021	2020	2019	2018	2017	2020-2022	
Energy/m ² (kWh)	7.5	6.5	7.0	8.2	8.7	9.1	7%	5
CO ₂ /m ² (kg)	2.3	1.9	2.7	3.2	3.2	3.4	-14%	5
Water/m ² (l)	56.9	60.9	68.3	74.7	90.2	91.8	-17%	5
Waste/m ² (kg)	0.6	0.5	0.7	0.8	0.8	1.6	-12%	5

➤ T.42 TEXTILES E-KPI RESULTS (T2)

Summary of supplier e-KPIs			Weights				Change	Number of factories
Value	2022	2021	2020	2019	2018	2017	2020-2022	
Energy/t (kWh)	13,122.5	13,393.6	13,049.1	12,636.3	13,386.80	13,679.11	1%	34
CO ₂ /t (t)	4.54	4.58	4.47	4.37	4.45	4.45	1.6%	34
Water/t (m ³)	98.47	98.7	103.4	105.5	122.78	119.30	-4.7%	34
Waste/t (kg)	288.5	121.38	78.9	62.08	70.63	299.59	266%	34



REPORTING IN ACCORDANCE WITH THE EU TAXONOMY REGULATION

TAXONOMY OBJECTIVES

The Taxonomy Regulation (EU) 2020/852 (in the following “Taxonomy”) entered into force on 22 June 2020. The purpose of this new regulation is to provide a definition for what constitutes a sustainable economic activity and to redirect capital flows into companies which are aligning their business models towards such sustainable economic activities. The focus of the Taxonomy lies on 6 environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainability and protection of water and marine resources
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems
- Transition to a circular economy

The Taxonomy has identified eligible economic activities that substantially contribute to each of these environmental objectives. Linked to these eligible activities are technical screening criteria that define whether the activity is considered sustainable or not (aligned).

The Delegated Regulation (EU) 2021/2178 as of July 6, 2021 on the climate objectives (climate change mitigation (Annex I) and climate change adaptation (Annex II)) (in the following “Climate Delegated Act”), was published in the Official Journal on December 9, 2021 and entered into force on January 1, 2022 ((EU) 2021/2139). Further delegated acts for the remaining objectives will be published at the earliest in 2023.

NEW DISCLOSURE REQUIREMENTS FOR NON-FINANCIAL UNDERTAKINGS

According to Articles 2 Climate Delegated Act and 8 of the Taxonomy any undertaking subject to the Non-Financial Reporting Directive (NFRD) must provide information on “environmentally sustainable” revenues, investments (capital expenditure) and operating expenses (opex).

According to Article 10 of the Climate Delegated Act for reports published from January 1, 2022 until December 31, 2022, non-financial undertakings shall only disclose the proportion of Taxonomy-eligible and Taxonomy non-eligible economic activities in their total turnover, capital and operational expenditure. Eligibility of activities implies that an activity is included in the Climate Delegated Act. Whether an activity is Taxonomy-eligible or not says nothing about the (un)sustainability of that activity. Being Taxonomy-eligible is merely an indication that a certain activity makes a substantial contribution to one of the six environmental objectives of the Taxonomy. From January 1, 2023, the disclosure shall also include information on taxonomy alignment, meaning that the economic activity in question fulfils the alignment criteria of the technical screening criteria Annex I and Annex II.

TAXONOMY-ELIGIBILITY OF PUMA'S ECONOMIC ACTIVITIES IN RESPECT OF CLIMATE CHANGE MITIGATION AND CLIMATE CHANGE ADAPTATION

The technical screening criteria in Annex I and Annex II of the Delegated Regulation (EU) 2021/2139 as of June 4, 2021 for the first two environmental objectives, namely climate change mitigation and climate change adaptation, do not list any business activities that are linked to the production and sale of footwear, apparel and accessories. This means that PUMA's business activities so far do not qualify as contributing substantially to climate change mitigation or climate change adaptation. Therefore, PUMA's business



activities in this regard are not considered Taxonomy-eligible (so far). Since PUMA does not have any economic activities related to nuclear power or power generation from gas, PUMA will not report the related standard forms from the delegated act (EU 2022/1214).

ELIGIBLE CAPITAL EXPENDITURE

PUMA understands that the Taxonomy and the Climate Delegated Act including its Annexes nonetheless asks non-financial undertakings with Taxonomy non-eligible economic activities to report on the part of the capital expenditure related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

In this regard PUMA reviewed the so-called cross-cutting activities that are not directly related to PUMA's primary business activity and are not revenue-generating for PUMA but still are relevant to support PUMA's sustainability efforts. Taxonomy-eligible capital expenditure could be identified with regard to "Transport" and "Real Estate Activities".

The key figures are determined on the basis of Delegated Regulations (EU) 2020/852, 2021/2139 and 2021/2178 in conjunction with the accounting policies to be applied to the consolidated financial statements. In order to avoid double counting, expenditure has been allocated to only one economic activity.

In 2022 PUMA started operations in several newly rented buildings with high requirements on energy-efficiency, such as, for example:

- A new office space in Singapore,
- a new warehouse in Mexico,
- and leasing contracts for several stores in the United States.

The technical screening criteria of Annex I and II define a taxonomy-aligned investment in buildings only for those buildings that are ranked among the top 15% of their regional building stock in terms of Primary Energy Demand (PED).

Since there is no precise definition of these 15%, for example in terms of area covered or primary energy demand per m², and as the rental of buildings is not material to PUMA's business performance in terms of CO₂ emissions, we have decided to report the taxonomy-aligned investment in buildings for 2022 as zero.

This does not mean that PUMA is not investing in lowering CO₂ emissions from its own entities. As described in the [Climate](#) section of this report, our Scope 1 and 2 emissions have been reduced by 86% compared to our baseline in 2017, mainly through green electricity tariffs or renewable energy attribute certificates.

In 2022 PUMA also invested in 24 charging stations for electric cars, which do fall under the taxonomy alignment criteria for climate mitigation. The total investment in these charging stations was 79 TEUR.

As part of PUMA's 10FOR25 sustainability targets, PUMA is transitioning its car fleet to more sustainable transport vehicles. Therefore, in 2022 PUMA invested in the lease of 64 low or zero emission vehicles.

Unlike buildings, the technical screening criteria for CO₂ emissions for taxonomy alignments are clearly defined as below 50 g CO₂/km.

We can confirm that 64 cars added to our car fleet are taxonomy-aligned with the technical screening criteria in their CO₂ emission footprint, equaling an investment of 1,521 TEUR. Considering the do-no-significant harm criteria of tires for passenger cars, not all those cars can be considered as fully taxonomy-aligned, as many of the standard tires used for our new electric cars from Tesla, Volkswagen, Hyundai,



Mercedes and BMW do not fulfil the criteria for noise emissions and therefore the reported taxonomy aligned investment in vehicles for the year 2022 is 293 TEUR.

The total capital expenditure (IAS 16, 38 and IFRS 16) of the PUMA Group amounts to 669,382 TEUR for the financial year 2022. The eligible capital expenditure regarding "Transport" amounts to 5,427 TEUR and "Real Estate Activities" amounts to 376,996 TEUR. The Taxonomy-aligned capital expenditure from investment in low or zero emission cars and charging stations for electric cars was 372 TEUR.

ELIGIBLE OPERATIONAL EXPENDITURE

PUMA understands that the Taxonomy and the Climate Delegated Act including its Annexes nonetheless asks non-financial undertakings with Taxonomy non-eligible activities to report on the part of the operational expenditure related to the purchase of output from taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions.

Due to the nature of our business model, which is the design, development, marketing and sale of footwear, apparel and accessories, the eligible operational expenditure is not material in the context of the first two environmental objectives of the Taxonomy, therefore we report the numerator of our taxonomy-eligible operational expenditure as zero.

For the denominator, Article 2, Annex 1 Section 1.1.3.1. of the Climate Delegated Act asks for reporting on the total operational expenditure derived from the categories "research and development, building renovation measures, short-term lease, maintenance and repair and any other direct expenditures related to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such asset." The total operational expenditure from these categories amounts to 103.6 TEUR for the financial year 2022.

OUTLOOK

PUMA expects that its business activities will be defined to contribute significantly to the "Transition to a circular economy" objective. Therefore, we anticipate a more detailed Taxonomy reporting once the technical screening criteria for this objective have been finalized by the European Union.



Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic Activity	Code(s)	Absolute turnover	Proportion of turnover	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum safeguard	Taxonomy-aligned proportion of turnover, 2022	Taxonomy-aligned proportion of turnover, 2021	Category (enabling activity)	Category (transitional activity)
		Currency	%	Climate change mitigation	Climate change adaptation	water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystem		%	%		
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
No Taxonomy-aligned environmentally sustainable activities performed by PUMA		0	0	0	0					n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0												0	0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
No Taxonomy-eligible environmentally sustainable activities performed by PUMA		0	0																	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0														0	0		
Total (A.1 + A.2)		0	0														0	0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		8,465,061,000	100																	
(Total A+B)		8,465,061,000																		



Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

DNSH criteria ('Does Not Significantly Harm')																					
Substantial contribution criteria																					
Economic Activity	Code(s)	Absolute CapEx Currency	Proportion of CapEx %	Climate change mitigation %	Climate change adaptation %	water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystem %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystem Y/N	Minimum safeguard Y/N	Taxonomy-aligned proportion of CapEx, 2022 %	Taxonomy-aligned proportion of CapEx, 2021 %	Category (enabling activity) E	Category (transitional activity) T	
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Environmentally sustainable activities (Taxonomy-aligned)																					
Activity 1: Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings) (7.4)	F42, F43, M71	79,418	0.01	100	100					Y	n.a.	n.a.	n.a.	n.a.	n.a.	Y	0.01	0.01	E		
Activity 2: Transport by motorbikes, passenger cars and light commercial vehicles (6.5)	N77.11	293,042	0.04	100	100					Y	Y	n.a.	Y	Y	n.a.	Y	0.04	0.04	E		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		372,460	0.06	100	100												0.06	0.05			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																					
Activity 1: Transport by motorbikes, passenger cars and light commercial vehicles (6.5)	N77.11	5,133,793	0.77																		
Activity 2: Acquisition and ownership of buildings (7.7)	L68	376,916,626	56.31																		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		382,050,419	57.09														0	0			
Total (A.1 + A.2)		382,422,879	57.13														0	0			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																					
CapEx of Taxonomy-non-eligible activities (B)		286,959,194	42.87																		
(Total A+B)		669,382,074																			



Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2022

Economic Activity	Code(s)	Absolute OpEx Currency	Proportion of OpEx %	Substantial contribution criteria						DNSH criteria (‘Does Not Significantly Harm’)						Minimum safeguard Y/N	Taxonomy-aligned proportion of OpEx, 2022 %	Taxonomy-aligned proportion of OpEx, 2021 %	Category (enabling activity) E	Category (transitional activity) T
				Climate change mitigation %	Climate change adaptation %	water and marine resources %	Circular economy %	Pollution %	Biodiversity and ecosystem %	Climate change mitigation Y/N	Climate change adaptation Y/N	Water and marine resources Y/N	Circular economy Y/N	Pollution Y/N	Biodiversity and ecosystem Y/N					
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
No Taxonomy-aligned environmentally sustainable activities performed by PUMA		0	0	0	0					n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0	0			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0	0	0											0	0			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
No Taxonomy-eligible environmentally sustainable activities performed by PUMA		0	0																	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0													0	0			
Total (A.1 + A.2)		0	0													0	0			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																				
OpEx of Taxonomy-non-eligible activities (B)		103,600,000	100																	
(Total A+B)		103,600,000																		



SUMMARY AND OUTLOOK

2022 saw several success stories for PUMA's sustainability performance. We were ranked first in the Business of Fashion Sustainability ranking, achieved the highest apparel and footwear score on the platform on living wage financials benchmarking and were added to the CDP A list of companies with leading climate disclosures. We also received a Sustainability Leadership Award from Footwear News America.

These achievements must be set in a context where the apparel and footwear industry is placed under increased scrutiny by civil society organizations and where the sustainability of the business model of fashion, with its inherent growth and abundance is questioned.

Against this background, we continued the execution of our Forever Better sustainability strategy and our 10FOR25 sustainability targets.

Many of these targets, which we set in 2019, are already achieved or close to being achieved. For example, nearly 100% of the cotton, leather and cardboard used for PUMA's products and packaging are now originating from preferred and more sustainable sources such as BCI cotton, LWG leather or FSC-certified paper. Nearly half of all polyester we use globally is now from recycled feedstocks.

We continue to source 100% renewable electricity for our own entities and have started the transition of our car fleet to electric cars at scale.

To decarbonize our logistics footprint, we saw the first ever electric truck operating for PUMA and agreed with our main logistics service provider to trial low-carbon shipments for sea freight from our major sourcing countries in Asia to Europe.

We also made some significant progress with the payment of living wages for our own employees and the employees at some of our suppliers, and recorded over 140,000 supplier and PUMA employees trained in women's empowerment.

On the other hand, we realized that our previous climate targets were not ambitious enough to support a 1.5-degree pathway and therefore set new climate targets.

For some major materials used for PUMA products, such as polyurethane, EVA or rubber, we are still at the beginning of the transition to more sustainable material versions, and the significant decarbonization efforts of our supply chain partners could not compensate the strong growth of PUMA in 2022. Consequently, we recorded an increase in Scope 3 emissions rather than the decrease required to support our new 1.5 degree-aligned target.

Another sad setback was the first fatal accidents at our manufacturing partners since several years. Despite a strong focus on health and safety from both PUMA and our suppliers, two employees of PUMA vendors lost their life in two tragic accidents.

We will use these accidents as a reminder to further strengthen our efforts to ensure a safe working environment for all employees manufacturing PUMA goods around the world and have decided to certify our own health and safety management system according to ISO 45001.

In terms of stakeholder outreach, we conducted our first ever Conference of the People and invited Generation Z representatives as well as industry peers to talk about their expectations for PUMA's sustainability journey.



During the conference we learned that our sustainability language is very technical and complex. Therefore, we will prepare a consumer-facing summary document of this sustainability section to convey the main messages to a wider audience.

Finally, we saw the launch of the RE:SUEDE and RE:JERSEY initiatives as first outcomes of our circularity lab. These products, although still not commercially available, showcase our vision for a more circular product portfolio in the future.

We know we still have a long way to go on our sustainability journey and we will continue to execute our sustainability strategy step by step.

For 2023 we plan a new materiality assessment, which will lead us into our 20th anniversary of our first stakeholder dialog in 2003. From there we will begin to shape our sustainability strategy beyond 2025 and towards 2030.

There is only one Forever – Let's Make it Better.



INDEX FOR COMBINED NON-FINANCIAL REPORT AND GRI CONTENT

This report constitutes a separate combined non-financial report in accordance with sections 289b to 289e and 315b, 315c in conjunction with 289c to 289e of the German Commercial Code (HGB). This consolidated combined non-financial report consists of the chapter "Sustainability" and the section "Culture" in the chapter "Our People" as well as the sections "Compliance Management System" and "Corporate Social Responsibility" in the chapter "Corporate Governance Statement in accordance with Section 289f and Section 315d HGB". The reporting period covered is January 1, 2022 to December 31, 2022. No restatements of information have been made in this report. We have provided separate reports for PUMA SE and the PUMA Group within the "Our People" section only. Separate reporting of other sustainability data would not add any meaningful new information or value and would require significant additional resources, so we have omitted it here. Information about PUMA's business model is set out in the Financial section of this Annual Report. We have not identified any most significant non-financial performance indicators according to §289c, section 3, number 5 of the German Commercial Code (HGB). PUMA engaged KPMG AG Wirtschaftsprüfungsgesellschaft to perform a "limited assurance" audit of the combined sustainability report with focus on accordance with the German CSR Implementation Act (CSR-RUG).

Since 2003 PUMA's sustainability reports are based on the guidelines of the Global Reporting Initiative (GRI), which developed detailed and widely recognized standards on sustainability reporting. PUMA SE has reported with reference to the GRI Standards GRI 1: Foundation 2021. This option enables us to report on the impacts related to our economic, environmental, social and governance performance. It includes topics that are material to PUMA's business and our key stakeholders, and that constitute our sustainability targets. These targets have been systematically developed in accordance with the feedback from PUMA's stakeholders.



GENERAL DISCLOSURES

		Location	Pages
GRI 2: General Disclosures 2021	2-1 Organizational details	Commercial activities and organizational structure	184
	2-2 Entities included in the organization's sustainability reporting	Group of consolidated companies	266-270
	2-3 Reporting period, frequency and contact point	Index for combined non-financial report and GRI content, Imprint	168
	2-4 Restatements of information	Index for combined non-financial report and GRI content	168
	2-5 External assurance	Limited assurance report of the independent practitioner regarding the separate non-financial group report	175-177
	2-6 Activities, value chain and other business relationships	Commercial activities and organizational structure; Sourcing	184; 189
	2-7 Employees	Culture; Employees	19-23; 191-194
	2-9 Governance structure and composition	Description of the working practices of the management board and the supervisory board	226-228
	2-10 Nomination and selection of the highest governance body	Description of the working practices of the management board and the supervisory board	226-228
	2-11 Chair of the highest governance body	Description of the working practices of the management board and the supervisory board	226-228
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability organization and governance structure; Description of the working practices of the management board and the supervisory board	226-228
	2-13 Delegation of responsibility for managing impacts	Sustainability organization and governance structure	36-37
	2-14 Role of the highest governance body in sustainability reporting	Sustainability committee	11
	2-15 Conflicts of interest	Diversity concept for the supervisory board	230-231
	2-16 Communication of critical concerns	Risk and opportunity report	235-241
	2-17 Collective knowledge of the highest governance body	Compensation System https://about.puma.com/en/investor-relations/corporate-governance	
	2-19 Remuneration policies	Description of the working practices of the management board and the supervisory board	226-228
	2-20 Process to determine remuneration	Description of the working practices of the management board and the supervisory board Compensation System https://about.puma.com/en/investor-relations/corporate-governance	226-228



		Location	Pages
	2-21 Annual total compensation ratio	Description of the working practices of the management board and the supervisory board Compensation Report https://about.puma.com/en/investor-relations/corporate-governance	226-228
	2-22 Statement on sustainable development strategy	CEO Letter; Foreword	5-7; 31-32
	2-23 Policy commitments	https://about.puma.com/en/sustainability/codes-policies-and-handbooks	
	2-24 Embedding policy commitments	PUMA's Forever Better sustainability strategy; Human Rights	35; 53
	2-25 Processes to remediate negative impacts	Human Rights	57; 78-79; 123
	2-26 Mechanisms for seeking advice and raising concerns	Compliance management system	224-225
	2-28 Membership associations	Stakeholder outreach	38-39
	2-29 Approach to stakeholder engagement	Stakeholder outreach	38-39
	2-30 Collective bargaining agreements	Measures to achieve equal pay for women and men	365

MATERIAL TOPICS

		Location	Pages
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Most material aspects	41-42
	3-2 List of material topics	Most material aspects	41-42

ANTI-CORRUPTION

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Relevant disclosures of corporate governance practices that are applied beyond the regulatory requirements	224-225
	205-2 Communication and training about anti-corruption policies and procedures	Relevant disclosures of corporate governance practices that are applied beyond the regulatory requirements	224-225

**TAX**

		Location	Pages
GRI 207: Tax 2019	207-1 Approach to tax	<p>"WE PAY OUR FAIR SHARE" is the core principle the PUMA Group is taking into consideration for its global tax strategy. In this regard, PUMA fully commits to act in accordance with all international tax regulations and to fulfill any tax obligations arising from its business activities. All information regarding PUMA's tax approach can be found in the tax strategy (https://about.puma.com/en/investor-relations/corporate-governance, see Tax Strategy)</p> <p>As it is a general principle for PUMA to follow tax rules and to pay applicable taxes, taxes as such are not a material issue within the sustainability approach. Consequently, PUMA does not report in detail on the GRI Standard in this regard.</p>	

MATERIALS

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Recycled material usage; Material origin	130; 142
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Recycled material usage; Material consumption data	130; 143-146
	301-2 Recycled input materials used	Recycled material usage	130

ENERGY

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate	87-91
GRI 302: Energy 2016	302-3 Energy intensity	Products	158-159

**WATER AND EFFLUENTS**

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Water and air	118-119
	303-2 Management of water discharge-related impacts	Water and air	120-123
	303-5 Water consumption	Products	157

BIODIVERSITY

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Biodiversity	147;149
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity	147

EMISSIONS

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Climate	87-91
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Climate	92; 93
	305-2 Energy indirect (Scope 2) GHG emissions	Climate	92; 93
	305-3 Other indirect (Scope 3) GHG emissions	Climate	95-96
	305-4 GHG emissions intensity	Climate	158-159
	305-5 Reduction of GHG emissions	Climate	92-96

**WASTE**

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Circularity	130
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Products	131
	306-2 Management of significant waste-related impacts	Circularity	130

OCCUPATIONAL HEALTH AND SAFETY

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Our people occupational health and safety	24
	403-2 Hazard identification, risk assessment, and incident investigation	Our people occupational health and safety	24
	403-9 Work-related injuries	Our people occupational health and safety	24

DIVERSITY AND EQUAL OPPORTUNITY

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Relevant disclosures of corporate governance practices that are applied beyond the regulatory requirements	224-225
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Relevant disclosures of corporate governance practices that are applied beyond the regulatory requirements	224-225

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights in the supply chain	61
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Human Rights in the supply chain	64; 67; 76

**FORCED OR COMPULSORY LABOR**

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights in the supply chain	61-62
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Human Rights in the supply chain	76

SUPPLIER SOCIAL ASSESSMENT

		Location	Pages
GRI 3: Material Topics 2021	3-3 Management of material topics	Human Rights in the supply chain	61-62
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Human Rights in the supply chain	62-63
	414-2 Negative social impacts in the supply chain and actions taken	Human Rights in the supply chain	62-64



KPMG ASSURANCE STATEMENT

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

To the PUMA SE, Herzogenaurach

We have performed a limited assurance engagement on the combined separate non-financial group report of PUMA SE, Herzogenaurach (hereinafter: “company”), which was combined with the non-financial report of the parent company for the period from January 1 to December 31, 2022 (hereinafter the “consolidated non-financial report”). This consolidated non-financial report consists of the chapter “Sustainability”, the section “Culture” in the chapter “Our People” and the sections “Compliance Management System” and “Corporate Social Responsibility” in the chapter “Corporate Governance Statement in accordance with Section 289f and Section 315d HGB” of the Annual Report 2022 of PUMA SE, Herzogenaurach.

Not subject of our assurance engagement was the material audit of the external sources of documentation, interviews, case studies, expert opinions, Environmental Profit & Loss as well as checking the content of links to internet pages mentioned in the non-financial report (see Annex 1 to the assurance report).

RESPONSIBILITIES OF MANAGEMENT

Management of PUMA SE, Herzogenaurach, is responsible for the preparation of the consolidated non-financial report in accordance with Sections 315c in conjunction with 289c to 289e HGB and Article 8 of REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of June 18, 2020 on establishing a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereinafter the “EU Taxonomy Regulation”) and the Delegated Acts adopted thereunder, as well as for making their own interpretation of the wording and terms contained in the EU Taxonomy Regulation and the delegated acts adopted thereunder as set out in section “Reporting in accordance with the EU taxonomy regulation” of the consolidated non-financial report.

This responsibility of the legal representatives of the company includes the selection and application of appropriate non-financial reporting methods and making assumptions and estimates about individual non-financial disclosures of the group that are reasonable in the circumstances. Furthermore, management is responsible for such internal control as they consider necessary to enable the preparation of a consolidated non-financial report that is free from material misstatement, whether due to fraud (manipulation of the non-financial group report) or error.

The EU Taxonomy Regulation and the Delegated Acts issued thereunder contain wording and terms that are still subject to considerable interpretation uncertainties and for which clarifications have not yet been published in every case. Therefore, management has disclosed their interpretation of the EU Taxonomy Regulation and the Delegated Acts adopted thereunder in section “Reporting in accordance with the EU taxonomy regulation” of the consolidated non-financial report. They are responsible for the defensibility of this interpretation. Due to the immanent risk that indeterminate legal terms may be interpreted differently, the legal conformity of the interpretation is subject to uncertainties.

INDEPENDENCE AND QUALITY ASSURANCE OF THE ASSURANCE PRACTITIONER

We have complied with the independence and quality assurance requirements set out in the national legal provisions and professional pronouncements, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the Institute of Public Auditors in Germany (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).



RESPONSIBILITY OF THE ASSURANCE PRACTITIONER

Our responsibility is to express a conclusion with limited assurance on the consolidated non-financial report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): “Assurance Engagements other than Audits or Reviews of Historical Financial Information” issued by the IAASB. This standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the company’s consolidated non-financial report, other than the external sources of documentation or expert opinions mentioned in the non-financial report, is not prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management disclosed in section “Reporting in accordance with the EU taxonomy regulation” of the consolidated non-financial report.

In a limited assurance engagement, the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly, a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgment of the assurance practitioner.

In the course of our assurance engagement we have, among other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the Group’s sustainability organisation and stakeholder engagement.
- Inquiries of management and relevant employees involved in the preparation of the consolidated non-financial report about the preparation process, about the internal control system related to this process, and about disclosures in the non-financial report.
- A risk analysis, including media research, to identify relevant information on PUMA SE’s sustainability performance in the reporting period.
- Identification of likely risks of material misstatement in the consolidated non-financial report.
- Analytical procedures on selected disclosures in the consolidated non-financial report.
- Inquiries of management and relevant employees that are responsible for determining disclosures about concepts, due diligence processes, results and risks, performing internal control procedures and consolidating disclosures in the preparation of the consolidated non-financial report.
- Inspection of selected internal and external documents.
- Analytical procedures for the evaluation of data and of the trends of quantitative disclosures as reported at Group level by all sites.
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data based on a sample taken at the site at five Vietnamese suppliers.
- Assessment of the overall presentation of the disclosures.
- Inquiries of Group level personnel in order to understand the processes for identifying relevant economic activities according to the EU Taxonomy Regulation.
- Evaluation of the process for the identification of taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the consolidated non-financial report.

In determining the disclosures in accordance with Article 8 of the EU Taxonomy Regulation, management is required to interpret undefined legal terms. Due to the immanent risk that undefined legal terms may be interpreted differently, the legal conformity of their interpretation and, accordingly, our assurance engagement thereon are subject to uncertainties.



ASSURANCE OPINION

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated non-financial report of PUMA SE, Herzogenaurach for the period from January 1 to December 31, 2022 has not been prepared, in all material respects, in accordance with Sections 315c in conjunction with 289c to 289e HGB and the EU Taxonomy Regulation and the Delegated Acts issued thereunder as well as the interpretation by management as disclosed in section "Reporting in accordance with the EU taxonomy regulation" of the consolidated non-financial report.

We do not express an assurance opinion on the external sources of documentation, interviews, case studies, expert opinions, Environmental Profit & Loss as well as content of links to internet pages mentioned in the consolidated non-financial report (see Annex 1 to the assurance report).

RESTRICTION OF USE

This assurance report is solely addressed to the PUMA SE.

Our assignment for PUMA SE and professional liability is governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (German Public Auditors and Public Audit Firms) (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 (Appendix 2). By reading and using the information contained in this assurance report, each recipient confirms having taken note of provisions of the General Engagement Terms (including the limitation of our liability for negligence to EUR 4 million as stipulated in No. 9) and accepts the validity of the attached General Engagement Terms with respect to us.

Nuremberg, April 24, 2023

KPMG AG
Wirtschaftsprüfungsgesellschaft

Marc Stauder
Wirtschaftsprüfer
[German Public Auditor]

Klaus-Peter Käuffelin
Wirtschaftsprüfer
[German Public Auditor]



COMBINED MANAGEMENT REPORT OF PUMA SE FOR THE FINANCIAL YEAR 2022

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Combined Management Report:
This report combines the Management Report of the PUMA Group and the Management Report of PUMA SE.

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Notes relating to forward-looking statements

This document contains statements about the future business development and strategic direction of the Company. The forward-looking statements are based on management's current expectations and assumptions. They are subject to certain risks and fluctuations as described in other publications, in particular in the risk and opportunities management section of the combined management report. If these expectations and assumptions do not apply or if unforeseen risks arise, the actual course of business may differ significantly from the expected developments. We therefore assume no liability for the accuracy of these forecasts.

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These sections contain content or cross-references not required by law, which were not audited by the auditor, but were merely read critically. In the case of cross-references, the information to which the cross-references refer was also not audited.

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OVERVIEW 2022

In 2022, the ongoing COVID-19 pandemic and the war in Ukraine required PUMA to be flexible and pragmatic. The health and safety of our PUMA Family was our top priority, while we executed our strategy to become the world's fastest sports brand and continued our strong growth momentum.

From the outset of the war in Ukraine, we focused on our employees, athletes and other partners, providing safe accommodation and welcoming many PUMA employees and their families in Germany and Poland, where we also helped arranging work permits and jobs.

We were impressed by the actions taken by our PUMA Family. Colleagues in Poland and Hungary waited at the borders to bring PUMA employees and ambassadors from Ukraine to safety. Others from our HQ in Herzogenaurach drove to Ukraine to bring necessities such as food and clothes to help those who had stayed in the country. We also gathered product donations for aid organizations in Ukraine to get help to those who needed it most.

For our efforts to provide an attractive workplace, PUMA was named a Top Employer 2022 in several regions of the world, including Europe and Asia/Pacific. We were listed by Forbes among the World's Best Employers and by the Financial Times as a Leader in Diversity for Europe. In Germany, we were named "Company of the Year" at the German Diversity Awards and in Mexico we were among the best places to work for women in Expansión's ranking "Súper Empresas Para Mujeres".

The COVID-19 pandemic eased in Europe and the Americas, but the situation for our store network and our supply chain remained challenging in parts of Asia, especially in China, where our employees did an exceptional job despite the repeated lockdowns. The tireless work of our sourcing teams ensured that supply chain disruptions were kept to a minimum throughout the year.

PUMA's brand heat was boosted further by the great performances of our athletes, who underscored our credibility as a sports brand. At the World Athletics Championships in Eugene, Oregon, USA, Jamaican sprinter Shericka Jackson ran the second fastest 200m time in history, while Swedish pole vaulter Armand "Mondo" Duplantis set yet another world record of 6.21 meters and was named "World Athlete of the Year." Another gold went to Portuguese athlete Pedro Pichardo in the triple jump with the best performance of the year.

Our Ukrainian PUMA athlete Yaroslava Mahuchikh won the gold in the high jump at the World Indoor Championships in Belgrade, Serbia and the European Championships in Munich, Germany. Her win in Belgrade was a very emotional moment, after she took a difficult three-day journey by car at the start of the war in Ukraine to travel to the event in Serbia.

Our athletes relied on the latest versions of our evoSPEED NITRO spikes, which are made with PUMA's NITRO-Technology and a PWRPLATE for extraordinary energy return. NITRO is also an important part of our newest product line-up for long-distance and road running, such as the futuristic FAST-R NITRO Elite and the DEVIATE NITRO ELITE 2.

We also added to our roster of international top athletes in road running, by signing Norwegian Sondre Moen and US athlete Jenny Simpson.

In Football, our PUMA Team Morocco sensationally reached the semifinal of the World Cup in Qatar. Our players Antoine Griezmann, Olivier Giroud and Raphaël Varane were in the French starting line-up in the final. Neymar Jr. scored his 77th goal for the Brazilian national team, equaling the record of football icon Pelé. Ahead of the tournament, we kicked off the "Generation Fearless" campaign, as part of which our global teamsport ambassadors presented our new ULTRA and the FUTURE 1.4 football boots.



The Women's Euro in England confirmed the increasing popularity of women's football in all markets. With Austria, Iceland, Italy and Switzerland, PUMA had four teams at the tournament and also generated great visibility with the more than 70 players who played in our boots. We equipped our players and teams with special collections and supported them with marketing campaigns ahead of the tournament.

Among club teams, PUMA teams AC Milan and Manchester City both won the title and Olympique de Marseille and Borussia Dortmund came in second in their respective leagues. In the Netherlands, PSV Eindhoven won the Dutch Cup. At the end of the season, PUMA secured a long-term contract extension with AC Milan and became the official match ball provider of the Italian football league Serie A, starting from the 2022/23 season.

In North America, PUMA works with LaMelo Ball, one of the most successful players in the NBA, and we created the very successful signature shoes MB.01 and MB.02 with him, which are sold exclusively at our strategic retail partner Foot Locker. Our basketball athlete Marcus Smart was named NBA Defensive Player of the Year while Jackie Young became the most improved player of the year in the WNBA. We expanded our roster of Basketball ambassadors with new signings such as Mikey Williams, Scoot Henderson and NaLyssa Smith.

In Golf, Cobra PUMA Golf athlete Ewen Ferguson won the Commercial Bank Qatar Masters and the ISPS Handa World Invitational, while Olivia Cowan claimed her maiden Ladies European Tour Victory in India at the Hero Women's Open. Lexi Thompson took the trophy at the Aramaco series in NYC and once again joined the champions circle. Anna Nordqvist won in the The Netherlands and brought home the Big Green Egg Open. Finally, Justin Suh took his first win at the Korn Ferry Tour Championship, which paved his way onto the PGA Tour and gives him a spot in 2023 at The Players Championship and at the US Open.

In Motorsport, Red Bull Racing driver Max Verstappen secured another Formula 1 Drivers' Championship, as PUMA supplied the three most successful teams in the sport: Scuderia Ferrari, Oracle Red Bull Racing and Mercedes-AMG Petronas F1. We benefited from the increasing popularity of the sport, especially in the United States, where Miami hosted its first Grand Prix in 2022, which was immediately sold out.

During our return to New York Fashion Week, our spectacular FUTUROGRADE show included a digital Web3 experience. The runway show was curated by PUMA Creative Director June Ambrose and special appearances on the catwalk by our ambassadors such as Usain Bolt, Winnie Harlow and Yaroslava Mahuchikh created a lot of buzz in the press and on social media. With the FUTUROGRADE event, we showed that the virtual world is becoming increasingly relevant for our young audience.

In 2022, we also unveiled our largest Web3 collaboration to date with 10KTF and launched "PUMA and the Land of Games" on the online gaming platform Roblox. We used the Roblox experience for a unique launch event, as we first presented Manchester City's new third kit in "PUMA and the Land of Games", giving players the first opportunity to explore and interact with the new kit in the virtual world.

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In 2022, we launched our PUMA Shopping App in India, the United States, the UK and Japan. The app allows consumers to virtually try on selected products before they buy, see what the products look like in sophisticated 3D animations and make purchases. PUMA further strengthened its distribution by entering new markets with the PUMA.com online store in the Philippines, Thailand, Peru, Norway, Saudi Arabia and several other new countries in the Middle East and Africa.

We announced a long-term partnership with British-Nigerian rapper, and record producer Skepta, who will design product and be a part of global marketing campaigns. Deals with pop stars Eleni Foureira from Greece and Teodora from Serbia underlined our focus on local relevance to reach audiences around the world.



In September, we invited industry peers, activists, NGOs, experts, ambassadors, and consumers to London for our sustainability event Conference of the People, an open conversation about sustainability, which put the concerns of Gen Z at the center of the debate. It gave us the opportunity to explain our sustainability work in great detail, including the RE:SUEDE and RE:JERSEY circularity projects. For RE:SUEDE, we distributed 500 experimental pairs of our iconic SUEDE sneaker to consumers in Germany, who tested them for half a year before returning them, so we can establish whether the sneakers can be biodegraded in a controlled industrial setting. The RE:JERSEY recycling project was unveiled in partnership with our football teams Manchester City, AC Milan, Borussia Dortmund, Olympique de Marseille and Girona. In this project, we trial a chemical recycling process, which can turn old polyester garments into new polyester yarn and even deal with logos, embroideries and club badges. We expect to scale up the use of this chemical recycling process in the coming years.

Given our sustainability efforts, we were honored when industry publication Business of Fashion named PUMA the most sustainable brand in a ranking of the 30 largest companies in the business and when we received the Footwear News Sustainability Leadership Award. These awards are an important confirmation for us that we are on the right track and are making progress with our strategy to make PUMA more sustainable.

In November the Supervisory Board appointed Arne Freundt to become the chairman of the management board and CEO of PUMA SE. Arne Freundt has worked for PUMA for more than ten years, previously as a member of the Management Board and Chief Commercial Officer. He replaced Bjørn Gulden, who left the company after nine years.

In April, the Supervisory Board elected Héloïse Temple-Boyer as Chair of the Supervisory Board at its meeting. Héloïse Temple-Boyer has been a member of the Board since 2019 and is a member of the Audit Committee.

The financial year 2022 was marked by operational challenges due to the continued effects of the COVID-19 pandemic and the effects of the Russian invasion of Ukraine. The negative impact of the pandemic in the form of lockdown measures was particularly evident in Greater China, where retail shops had to be temporarily closed. Global goods availability improved significantly due to easing capacity bottlenecks in the logistics industry towards the end of the year.

Russia's invasion of Ukraine led to a significant impairment of business in these two countries in the past financial year 2022. At the beginning of the invasion, we suspended all of our retail activities in Russia and Ukraine. As a result, no sales were generated with the respective retail activities, but costs continued to be incurred. In Russia, retail activities remained suspended for the rest of the year. In Ukraine, we were able to resume most of our retail activities over the course of the year on the initiative of the Ukrainian team. Russia and Ukraine's share of the total sales of the PUMA Group declined from almost 4% in the previous year and was then only 2% in 2022. At the end of the year, retail stores in Russia incurred impairment losses on rights-of-use in the amount of a high single-digit million euro figure. Due to the current situation, our retail activities in Russia remain suspended until further notice. The management team are carefully monitoring the current situation in Russia and analyzing the various possible scenarios and measures. In all our considerations, the health and safety of our employees and their families are always our top priority.

Despite the uncertain geopolitical and macroeconomic business environment and the continuing negative impact of the COVID-19 pandemic, 2022 was the most successful financial year ever in the history of PUMA. Based on continued brand dynamics, successful product launches, the best possible service for our retail partners, athletes and consumers and a strong focus on flexibility in business operations, PUMA achieved record sales, operating result (EBIT) and consolidated net earnings in the past financial year.

The ongoing restrictions in connection with the COVID-19 pandemic in the Asian markets, especially in Greater China, the crisis in Ukraine and persistently high inflation had a negative impact on consumer confidence and demand in 2022. Nevertheless, in the past financial year 2022, PUMA managed to exceed € 8 billion in sales for the first time in the company's history. Currency-adjusted sales increased by 18.9%.



In the reporting currency, the euro, this corresponds to an increase in sales of 24.4% from € 6,805 million in the previous year to € 8,465 million in 2022. In the financial year 2022, PUMA thus managed to surpass the sales forecast for currency-adjusted sales growth in the mid-teen percent range, which had already been adjusted upward during the year.

Higher sourcing prices due to raw materials and cost increases for incoming freight, an unfavorable regional and distribution channel mix and increased promotional activities due to the promotional market environment led to a decline in the gross profit margin from 47.9% in the previous year to 46.1% in 2022. These negative effects were partially offset by price adjustments and currency effects. Net expenses from other operating income and expenses increased by a total of 21.0% in the 2022 financial year from € 2,725 million in the previous year to € 3,296 million. The increase was mainly due to higher expenses for marketing, a higher number of the Group's own retail stores and higher sales-related distribution and warehousing costs. In addition, PUMA continued to be faced with operational inefficiencies, particularly in the supply chain, due to COVID-19. The weaker increase in other operating income and expenses compared to sales growth reflects the operating leverage achieved. As a result of continued cost control, it was possible to achieve a reduction in the cost ratio from 40.0% in the previous year to 38.9% in 2022.

Due to the strong sales growth and continued cost control, the operating result (EBIT) increased by 15.0% in the past financial year from € 557.1 million to € 640.6 million. The operating result therefore lies within the forecast of a range between € 600 million and € 700 million. However, the EBIT margin decreased from 8.2% in the previous year to 7.6% in 2022. The improvement in operating result is also reflected in the development of consolidated net earnings, which improved by 14.2% year-on-year. Consolidated net earnings increased from € 309.6 million in the previous year to € 353.5 million, while earnings per share rose accordingly from € 2.07 in the previous year to € 2.36. This allowed PUMA to achieve record consolidated net earnings in the financial year 2022 and fully achieve the profitability targets in the past financial year.

The positive net earnings enables the Management Board and the Supervisory Board to propose the distribution of a dividend of € 0.82 per share for the financial year 2022 at the Annual General Meeting on May 24, 2023 via corresponding distributions and profit transfers to PUMA SE. This corresponds to a payout ratio of 34.7% of consolidated net earnings according to IFRS and is in accordance with PUMA's dividend policy, which foresees a payout ratio of 25% to 35% of consolidated net earnings. In the previous year, a dividend of € 0.72 per share was paid out (payout ratio for previous year: 34.8%).

As part of the quarterly index review, the PUMA share has been relisted on the MDAX stock exchange index since December 2022. The PUMA share was previously a member of the DAX since September 2021. After starting 2022 at a price of € 107.50, PUMA's share price fell to a low of € 43.85 in October 2022. The price of the PUMA share then recovered by the end of the year and rose to € 56.70. This represents a decline in the share price of 47.2% compared with the previous year. The market capitalization of the PUMA Group amounted to around € 8.5 billion at year-end 2022 (previous year: € 16.1 billion).



PUMA GROUP ESSENTIAL INFORMATION

COMMERCIAL ACTIVITIES AND ORGANIZATIONAL STRUCTURE

PUMA SE operates as a European stock corporation with Group headquarters in Herzogenaurach, Germany. In the internal reporting, our business activities are mapped according to three major regions (EMEA, the Americas and Asia/Pacific) and three product divisions (footwear, apparel and accessories). In addition, we consider seven segments for internal management purposes, as shown in the segment reporting.

Our revenues are derived from the sale of products from the PUMA and Cobra Golf brands via the wholesale and retail trade, as well as from sales directly to consumers in our own retail stores and online stores. We market and distribute our products worldwide primarily via our own subsidiaries. There are distribution agreements in place with independent distributors in a small number of countries.

As of December 31, 2022, 99 subsidiaries were controlled directly or indirectly by PUMA SE. Our subsidiaries carry out various tasks at the local level, such as distribution, marketing, product development, sourcing and administration. A full list of all subsidiaries can be found in chapter 2 of the Notes to the Consolidated Financial Statements (in the subsection "Group of consolidated companies").

TARGETS AND STRATEGY

Our eight strategic priorities continued to guide us in 2022: brand heat, product ranges that are right for our consumers, a comprehensive offer for women, improving the quality of our distribution, increasing the speed and efficiency of our organizational infrastructure, leveraging our re-entry into Basketball to improve our position in North America and to focus on local relevance and sustainability.

With a history of almost 75 years, PUMA has worked with the most famous and successful athletes in history to gain credibility as a sports brand and to create **brand heat**: Usain Bolt, Sir Lewis Hamilton, Pelé, Maradona, Tommie Smith, Boris Becker, Linford Christie, Serena Williams, Heike Drechsler and Martina Navratilova, are among the many sports legends PUMA has worked with over the years. Today, we also aim to partner with the most relevant and successful brand ambassadors of their generation. In football, PUMA works with star players such as Neymar Jr, Antoine Griezmann, Nikita Parris and Alexandra Popp, top football manager Pep Guardiola, and international top clubs such as Manchester City, Borussia Dortmund, Valencia CF, Olympique Marseille, AC Milan, PSV Eindhoven and Palmeiras São Paulo.

In track & field, we also have a roster of world class athletes, including Norwegian hurdler and world record holder Karsten Warholm, Canadian sprinter André De Grasse, Jamaican sprinters Shericka Jackson and Elaine Thompson-Herah, Italian high jumper Gianmarco Tamberi, as well as Swedish pole vault world record holder Mondo Duplantis.

Throughout the year, we signed several new track and field ambassadors such as Mutaz Essa Barshim, Abby Steiner and Emmanuel Korir. Our strategy paid off at the World Athletics Championships in Eugene, the Commonwealth Games and the European Championships in Munich, where our athletes won medals and set new records.

PUMA also generates brand heat by working with icons of culture and fashion, who are highly relevant for our target audience, such as Dua Lipa, Skepta, Winnie Harlow and Jay-Z.



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In 2022, we significantly improved our **product offering** across all business units. Highlights included our Performance Footwear, especially the running styles VELOCITY and DEVIATE featuring our proprietary NITRO technology, which showed strong sell-through and won awards such as the Runner's World Editor's Choice Gold Medal.

To further strengthen our position in Running and Training, we introduced our SEASONS collection in the fall, a new range of outdoor items made to protect against the elements all year round.

In Teamsport, our innovative PUMA ULTRA and FUTURE as well as the classic KING football boots were very successful and gained market share throughout the year. For the World Cup in Qatar, we introduced our football boots in the colors of the "Fearless Pack", which ensured great visibility on pitch.

With the introduction of the SLIPSTREAM in a global campaign that was supported by our most prominent ambassadors such as Neymar Jr, Danna Paola and Romeo Beckham, we launched a new Classics footwear franchise that will be a part of our product portfolio in the years to come.

In Apparel and Accessories we saw strong sell-through of our performance and Sportstyle products, including collaborations with partners such as AMI Paris, MCM, Palomo Spain, Vogue, Coca Cola, Pokemon, Garfield and Vogue.

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Around the world, **women** increasingly participate in sports and sportswear has become an important part of fashion-conscious outfits everywhere. It is our strategic priority to provide a comprehensive product offer for our female consumers throughout our range and across all life stages, including modest wear, period activewear and maternity wear.

PUMA created bespoke national team home kits for the Women's Euro to highlight our commitment to women's football. Our players in the tournament, such as German forward Alexandra Popp and Icelandic midfielder Sara Björk Gunnarsdottir, received their FUTURE or ULTRA football boots in women's specific fits in a special PUMA x LIBERTY design. In Basketball, we introduced a signature shoe for WNBA star Breanna "Stewie" Stewart, the first signature shoe for a female athlete in over a decade.

Our decision to reenter **Basketball** in 2018 has spurred our growth in the North American market in the past years. Following the sell-out success of the various versions of LaMelo Ball's first signature shoe, MB.01, we added a second style, MB.02, in 2022. With various activations of our ambassadors and a strong line-up of Footwear, Apparel and Accessories, our Basketball business has become a strong and successful part of our product offering.

Basketball's popularity in North America is an example how some sports can have a **strong local relevance** in certain regions. In other markets, PUMA is active in cricket, handball, rugby, padel or netball. While PUMA has a strong roster of global ambassadors and teams, we believe it is equally important to focus on the sports, trends, ambassadors, partners and platforms that are most relevant locally.

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As part of this strategy, we empower local decision making, invest in regional creation centers in major markets, prioritize local-for-local sourcing and work with ambassadors and influencers such as Pamela Reif in Germany, Virat Kohli in India or Davido in Nigeria.

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With our strategy to be flexible and service-oriented towards our retail partners, we improved the **quality of our distribution** and expanded our presence with leading sports performance and sportstyle accounts across the world. While product availability improved markedly in 2022, we prioritized our retail partners over our own Direct-to-Consumer (DTC) channels, whenever necessary. Our DTC business, which includes our owned-and-operated retail stores as well as our e-commerce business, also grew strongly in 2022. We



opened new full price stores in large cities such as Singapore or Buenos Aires and rolled out our e-commerce store in the Philippines, Thailand, Peru, Norway, Saudi Arabia and several other new countries in the Middle East and Africa.

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With our PUMA Shopping App, which debuted in 2022 in India, the United States, the United Kingdom and Japan, we give our most loyal consumers access to the latest PUMA products as well as exclusive services and brand content. We expect to roll out the PUMA Shopping App in additional markets in the coming quarters.

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With the opening of new distribution centers and offices and our continued investment in our systems, we improved our **infrastructure** and processes in 2022. To support our future growth, we opened new warehouses around the globe, for example in Mexico, Dubai and Thailand. We made investments into a global SAP upgrade, product creation systems and additional 3D product creation capabilities. To expand our presence in local markets, we moved our teams into new, modern offices, for example in Brazil, Chile and India.

Our sourcing strategy is based on long-term collaboration with our valued suppliers around the world. Working closely together with our sourcing partners helps us create a stable sourcing base, sell products with a consistent quality and support our future growth, while protecting us from a volatile global environment. The strong collaboration with our suppliers, who are mainly based in Asia, has contributed to a very resilient supply chain situation despite temporary lockdowns in some sourcing markets.

Our focus on **sustainability** as part of our FOREVER BETTER strategy continued as a strategic priority in 2022, as we aim to fully integrate sustainable practices into every aspect of our business. By 2025, we want to make nine out of ten products out of more sustainable materials such as certified cotton and leather or recycled polyester, compared to six out of 10 products in 2021.

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We have pledged to reduce carbon emissions by what scientists say is necessary to avoid the worst consequences of climate change. In 2022, we announced that we had cut our own carbon emissions and those coming from our supply chain between 2017 and 2021, even though the business grew strongly in the same period.

To achieve this reduction, we purchased 100% renewable electricity through renewable electricity tariffs and renewable energy attribute certificates, we used more sustainable materials and made efficiency improvements at a factory level.

At our warehouse in Torrance, California, USA, for example, we started using fully electric trucks and we steadily increased the number of battery-electric and hydrogen fuel-cell vehicles in our global corporate fleet.

While more sustainable product lines such as RE:COLLECTION, which is made with recycled materials, were already on the shelves in 2022, we also educated our consumers about our experiments in recycling and biodegradability with the RE:JERSEY and RE:SUEDE projects. Our Conference of the People was also a part of this strong communication focus that is part of our strategy. Our sustainability efforts were recognized by the media, for example when Business of Fashion named PUMA the most sustainable brand in the industry or when we received the Footwear News Sustainability Leadership Award.

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PRODUCT DEVELOPMENT AND DESIGN

As we have a vast archive at our disposal, our designers can take inspiration from almost 75 years of history to create fashion forward and relevant products for our customers. A prime example in 2022 was the SLIPSTREAM, which was introduced by our ambassadors Neymar Jr, Danna Paola and Romeo Beckham in June. With the SLIPSTREAM, PUMA brought back the classic design from the 1980s to make a clean and modern sneaker.

Our global ambassadors also launched their personal collections with us. Pop superstar Dua Lipa presented her second “FLUTUR” collection, which caught our customers’ attention with bright colors, form-fitting looks and an aesthetic inspired by old-school rave culture.

Neymar Jr, who supported the launch of many of our products in 2022, worked with us on his first personal PUMA collection, which celebrated his home country Brazil by using a unique graphic language that took inspiration from Brazilian football, the street art of his native São Paulo and his tattoos.

We continued to invest heavily in our Performance Running and innovative NITRO technology and launched new versions of our performance football boots ULTRA and FUTURE in unisex and women’s specific fits.

Together with French fashion brand AMI, we designed an exclusive collection that combined tailoring and innovative sportswear design with minimalistic branding. The collection received great media attention and positive feedback from our most influential fashion retailers.

With Palomo Spain we created a collection which explored team sports with a retro edge and merged it with Palomo’s signature couture-infused, romantic and gender-neutral designs.

For our show at New York Fashion Week, we created the never-seen-before NITRO NFRNO and NITRO FASTROID sneakers for which our in-house designers pushed the creative boundaries to envision what a 3D digital sneaker could look like. It was the first time PUMA entered this far into the Web3 space, as we established the first PUMA-owned NFT which linked digital design with in-real-life physical product.

The two sneakers were linked to our NFT NitroPass and those consumers who minted a NitroPass received two NFTs – one tied to physical products and one that unlocked a customized experience linked to their chosen shoe. Following the FUTROGRADE show, minters could claim their physical sneakers by burning their product-claimed NFT.

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As part of our strategy to create the right products for women, we developed a range of period underwear and activewear with Australian company Modibodi, which helps women stay active during their periods. Among our Women’s footwear products, MAYZE and CALI saw the highest sales. We also expanded our successful RIDER franchise with a version for women, the KOSMO RIDER, which was promoted by social-media star and music artist Dixie D’Amelio.

We elevated our Motorsport offering with our partner Ferrari to create the premium ION F sneakers and we celebrated the 50th anniversary of the Porsche 911 RS 2.7 car with a limited edition of our classic SUEDE, which was sold out in hours.

In Basketball, a special version of LaMelo Ball’s signature shoe MB.01, in collaboration with the animated series “Rick and Morty”, became one of our most sought-after sneakers of 2022. Later in the year, we introduced LaMelo Ball’s second signature shoe, the MB.02.

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Our Accessories business presented a limited-edition headwear collection, called “Hometown Heroes”, which paid homage to street culture of different eras. The launch was supported by some of our global ambassadors from Teamsport, Basketball and music.



With the launch of PUMA's padel collection, including rackets, Footwear, Apparel and Accessories, as well as the PUMA SEASONS outdoor collection, we entered new categories. This was part of an increasing number of locally developed products.

RE:COLLECTION was a range of products with a sustainability focus for Sportstyle, Running & Training and Motorsport, which showed how recycled materials can create a unique look. Depending on the style, the products were made with between 20% and 100% recycled materials.

Research and product development at PUMA mainly comprise the areas of innovation (new technologies), product design and model and collection development. The research and product development activities range from the analysis of scientific studies and customer surveys through the generation of creative ideas to the implementation of innovations in commercial products. The activities in research and product development are directly linked to sourcing activities.

As of December 31, 2022, a total of 1,307 people were employed in research and development/ product management (previous year: 1,136). In 2022, research and development/ product management expenses totaled € 153.1 million (previous year: € 114.5 million), of which € 82.2 million (previous year: € 61.7 million) related to research and development.



SOURCING

THE SOURCING ORGANIZATION

PUMA Group's sourcing functions, referred to as PUMA Group Sourcing (PGS), manages all sourcing related activities for PUMA and Cobra, including vendor selection, product development, price negotiation and production control. These activities are centrally managed by PUMA International Trading GmbH (PIT), the group's global trading entity, with its head office in the Corporate headquarters in Herzogenaurach (Germany). In addition, PIT is responsible for procurement and supply into the PUMA distribution channels worldwide. PIT receives volume forecasts from PUMA subsidiaries and licensees worldwide, translates these forecasts into production plans which are subsequently distributed to the referenced vendors. The PUMA subsidiaries confirm their forecasts into purchase orders to PIT, which in turn consolidates these requirements and purchases from the vendors. There is a clear buy/sell relationship between the sales-subsidiaries and PIT and between PIT and the vendors, for added transparency.

The centralization of both the sourcing and procurement functions, along with the rollout of a cloud-based purchase order collaboration and payment platform, linking the sales-subsidiaries, PIT and the vendors, has enabled the digitalization of the supply chain creating transparency, operational efficiency and reducing complexity. For example, container fill rates are optimized, foreign currency risks are managed by PIT directly via a centralized currency hedging policy, and all payments to vendors are automated and paper free.

To meet the needs of our customers in terms of service, quality, social and environmental sustainability, we focus on six core strategic pillars: partnership, product, quality, growth management, margins & acquisition costs and sustainability. The centralization of sourcing and procurement enables continuous improvements in all areas. In addition, the integration of PUMA's sustainability function into the sourcing organization ensures that industry standards, including social, environmental and chemical safety, are closely linked to all our sourcing activities.

Another key aspect in our sourcing setup since 2016 has been the PUMA Vendor Financing Program. The program allows vendors to be paid earlier. The International Finance Corporation (IFC), banking group BNP Paribas, HSBC as well as Standard Chartered offer attractive financing terms to our suppliers, which are able to maintain their own lines of credit.

At the beginning of 2022, we carried over our efforts from last year to tracking and restoring capacities at our suppliers. This had still been influenced by the COVID lockdown situation in Vietnam in summer 2021. As we saw a growing demand across all markets during the first half of this year, we focused on ensuring a stable supply of products across all divisions while taking prioritizations in alignment with our sales subsidiaries into account.

Fortunately, most sourcing countries did not experience further COVID restrictions in the course of this year, with the exception of China, where temporary production disruptions did occur – yet with an overall minor impact. We have been closely monitoring the extended logistics lead times across various markets in making sure availability of products is on time.

In view of the global macroeconomic situation, which has led to a change in our customers' ordering behavior, and the normalization of the supply chain, sourcing volumes declined in Q4. Therefore, we actively adjusted sourcing to the corresponding situation and continued to provide transparency to our sourcing partners so that they can adjust their capacities accordingly.



THE SOURCING MARKETS

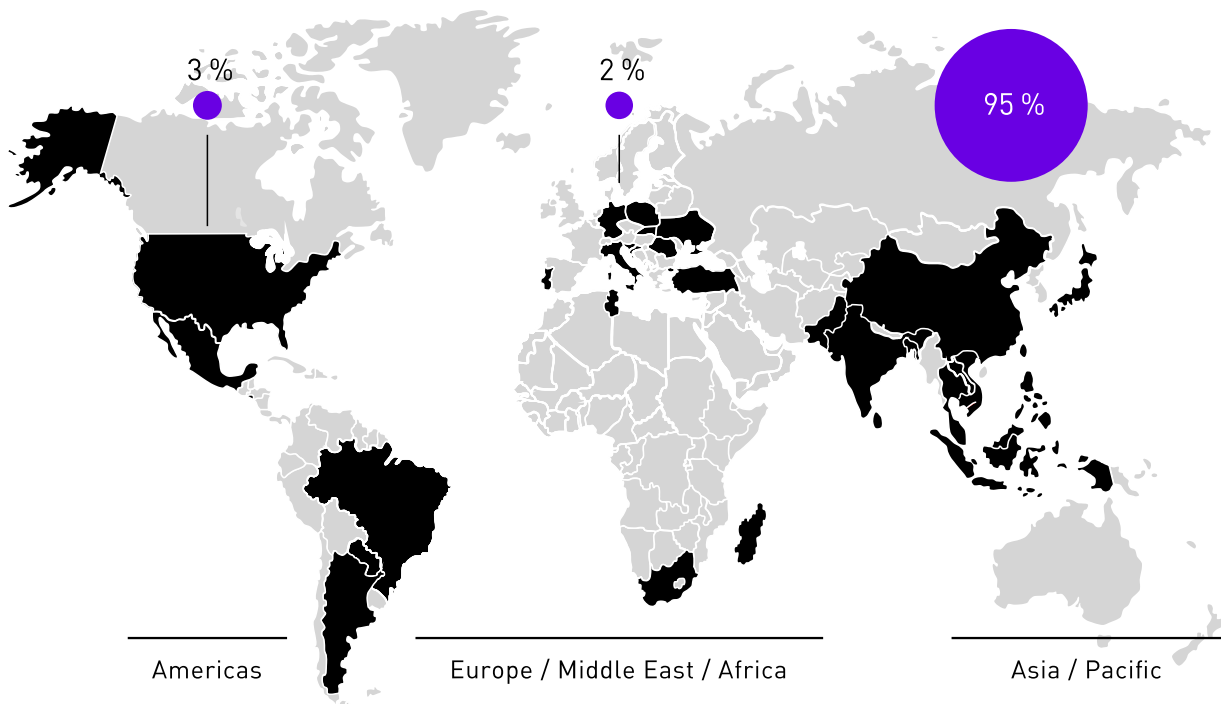
During the financial year 2022, PIT purchased from 141 independent suppliers (previous year: 129) in 27 countries worldwide. The strategic cooperation with long-term partners did not only remain to be one of the key competitive advantages, but it was also crucial in navigating through ongoing supply chain challenges of 2022.

Asia remains the strongest sourcing region overall with 95% of the total volume, followed by the Americas with 3% and EMEA with 2% (thereof Europe with 1% and Africa with 1%).

As a result, the six most important sourcing countries (93% of the total volume) are all located on the Asian continent. China became our biggest production country in 2022 with a total of 32%. It had been mainly China which compensated for the lockdown situation in Vietnam in 2021 and therefore saw a continued increase of sourcing volumes. This increase carried over to this year as reallocation effects remained. While growing in absolute volumes, Vietnam on the other hand decreased in relative terms to a total of 30%, given the repercussions of the situation in 2021. Cambodia is in third place at 13%, Bangladesh, which focusses on apparel, is in fourth place at 12%. Indonesia, with a focus on footwear production and increasing volumes for apparel, produces 4% of the total volume and is in fifth place. India is in sixth place at 3%.

Rising wage costs, fluctuating material prices, freight rates and macroeconomic developments, have continued to influence sourcing markets in 2022. Such impacts need to be taken into account in allocating the production to ensure a secure, sustainable and competitive sourcing of products. In this regard sourcing continues to extend its local supply chain initiatives for markets such as China, India, Latin America, Türkiye and others. Our sourcing activities resumed with business travel to key sourcing markets in order to visit our existing partners but also evaluate new vendors and opportunities in sourcing countries like Indonesia.

➤ 6.01 SOURCING REGIONS OF PUMA (in %)



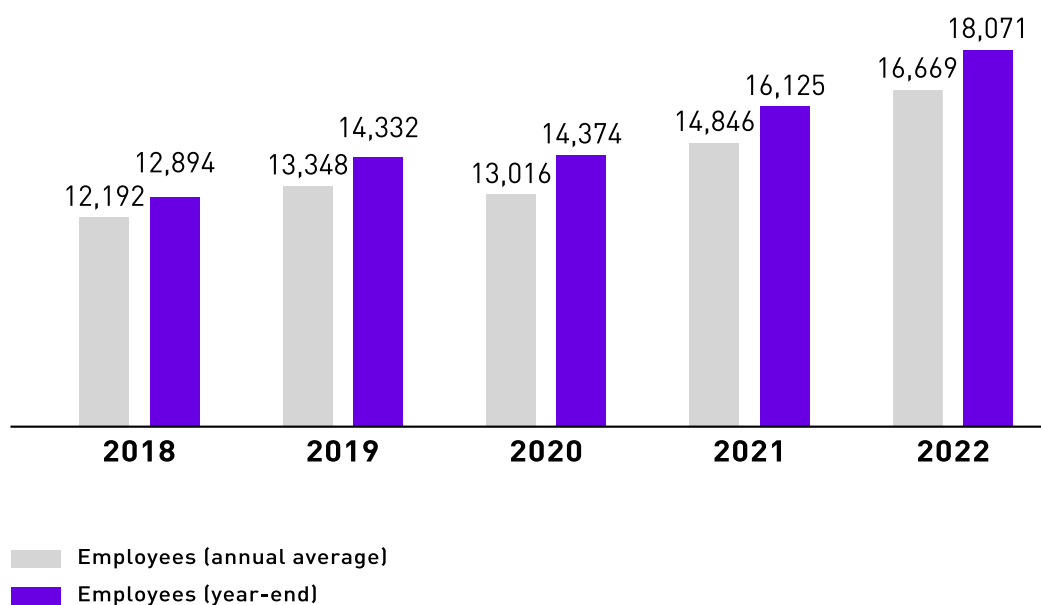


EMPLOYEES

NUMBER OF EMPLOYEES

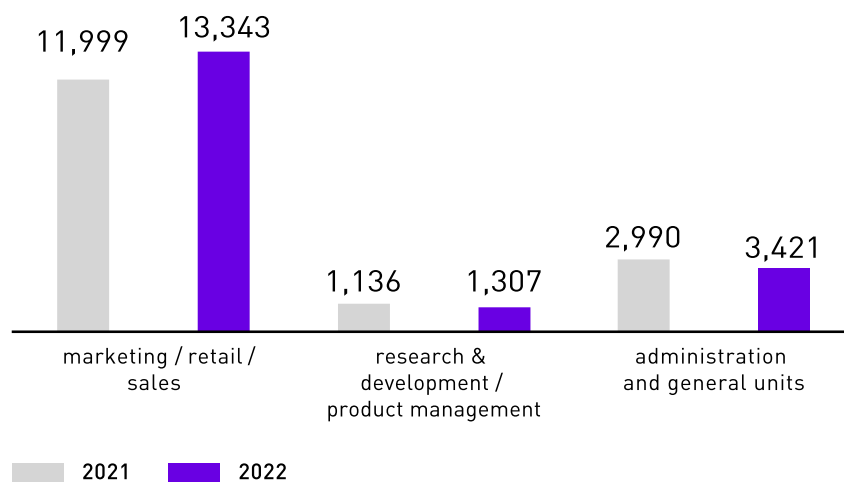
The global number of employees on a **yearly average** was 16,669 in 2022, compared to 14,846 in the previous year. Personnel expenses increased by a total of 18.8% from € 712.4 million to € 846.5 million in 2022. On average, personnel expenses per employee amounted to € 50.8 thousand, compared to € 48.0 thousand in the previous year.

➤ G.02 CHANGES IN EMPLOYEES (annual average / year-end)



As of **December 31, 2022**, the number of employees was 18,071, compared to 16,125 in the previous year. This corresponds to an overall increase in the number of employees of 12.1% compared to the previous year. The development in the number of employees per area is as follows:

➤ G.03 EMPLOYEES (Year-end)





TALENT RECRUITMENT AND DEVELOPMENT

The far-reaching social and economic consequences of the geopolitical tensions in Europe dominated 2022. Global labor turnover has increased and competition for qualified professionals and executives has intensified. To ensure that we remain competitive in this environment and to promote growth, it is essential that we retain a skilled, committed workforce in our company over the long term. We have therefore continued to focus particularly on acquiring and developing talent. As well as taking action to strengthen employee retention, this also means increasing our attractiveness as an employer worldwide and promoting diversity in our organization. These measures will make us even more resilient in the face of unpredictable external factors. As part of our strategic workforce plan, we are increasingly addressing foreign markets through our recruitment campaigns in order to reduce our dependence on demographic trends in the local labor markets.

To attract external candidates, we use digital platforms and social media, as well as our careers website, for our target-group-specific, individual, and proactive recruiting measures. Having a range of in-person and online initiatives at universities in Germany and abroad gives us the opportunity to approach potential employees and identify suitable candidates. Extensive networks of qualified applicants and candidate pools help us to quickly fill vacancies. In the competitive labor market, being an attractive employer and being perceived as such by current and potential employees are of critical importance. PUMA's attractiveness is evidenced by its top rankings as an employer and numerous awards. We are very proud of our PUMA subsidiaries across four regions (Europe, APAC, LATAM, and North America) for winning a coveted Global Top Employer award in the financial year 2022 in recognition of our outstanding corporate culture and working environment. We can now proudly call ourselves a Global Top Employer. We were also named one of the "World's Best Employers" by Forbes and a "Leader in Diversity" by the Financial Times, and awarded the "Great Place to Work" seal in numerous countries.

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In 2022, we continued to move forward with the worldwide simplification, acceleration, and harmonization of our business processes and with continued digitalization. Since 2017, we have been using the "Workday" software solution for a variety of human resources processes. This software provides employees and managers with the processes and tools required for daily human resources management. In addition, easy-to-use dashboards provide managers with the information and data-driven insights they need for planning and management. The analysis of our centrally available global data provides a solid basis for strategic decisions and measurable results. In 2022, we focused particularly on continuing to analyze data through people analytics and on incorporating the results into our strategic decisions. This helps us to answer targeted questions in an evidence-based way, as well as to prepare forecasts.

We provide our employees with the opportunity to proactively advance their own professional development and to develop themselves - including in the international arena - thereby strengthening their long-term loyalty to PUMA. Based on the Workday software, a systematic succession plan is created as part of talent management in addition to performance assessment and target-setting. We identify the talent available within the Group through annual performance reviews and global talent conferences, and foster talent development based on individual development plans. This type of talent management means that we can offer our employees attractive career and development opportunities. In this reporting year, we continued to fill the majority of our key positions through internal promotions or horizontal moves around the world. This strengthens our talent management and development strategy.

The ongoing professional and personal development of our employees ensures that our workforce has the necessary expertise to guarantee continuous growth and market competence, particularly in times of high uncertainty and constant change. Workday helps us to avoid skills gaps and gain transparency about the skills available in the workforce. This issue was further analyzed and broadened in 2022, particularly with regard to the expertise that will be needed in the future. We will use the resulting findings as a basis for our recruiting activities and for designing new training courses as part of our strategic workforce plan.



The range of training that we provide includes a number of online and offline training courses and workshops, which are either standardized or tailored to individual needs. "LinkedIn Learning" and "Good Habitz" provide our employees with access to around 20,000 different training courses. They also have a wide range of learning categories to choose from for self-directed personal and professional development. This year, we focused particularly on the topics of mental well-being, resilience, and mindfulness, providing our employees with a wide range of services to best support them in dealing with the increased mental strain that can often arise in this politically and economically difficult environment.

We focused more on language training in 2022, and acquired a global Busuu license covering 13 languages. This gives all our employees, including retail employees, the opportunity to learn a new language online under their own guidance and in line with their needs. Qualified trainers support learners through live lessons. Learning can be flexible through the app, but it can also be done in contact with people. Speaking another language produces mutual understanding, creates connections, and enhances diversity. It also promotes internal mobility. For this reason, there is a significant global focus on English. Employees can also learn or improve another language, even for personal reasons. This project secured the eLearning AWARD 2023 in the "Best Roll-Out Project" category. We further expanded the Digital Agile Coach programs that we offer to various target groups.

With a range of dual-study programs and apprenticeships, as well as study-related internships, we offer adequate entry-level and development opportunities for talented individuals at all levels.

We offer our managers numerous training and development opportunities. All managers worldwide complete our internal global leadership training program, consisting of the ILP (International Leadership Program) and ILP² seminar series. The program ensures a uniform understanding of leadership at PUMA and promotes development among participants over the longer term. It offers intensive training and coaching, including interactive learning, role play simulations, and best practice learning, as well as joint projects. The key topics include coaching, mindful leadership, and agile working methods. The PUMA Leadership Expedition training program aims to empower our managers to lead effectively in the VUCA world (VUCA is an acronym for volatile, uncertain, complex, and ambivalent). The program is completely virtual, easily accessible, and designed as a self-directed and tailor-made learning format. It includes self-selected virtual training sessions with a trainer, regular communication with other international participants in smaller working groups, and coached sessions, as well as individual learning sprints and check-ins with the trainers. This innovative training program received the eLearning AWARD 2023 in the "Agile Learning" category.

Our training from employee to manager is intended to prepare employees who are taking on a management position for the first time specifically for their new role. In addition to the training module, the program also offers individual coaching.

Our personnel development programs "Speed Up" and "Speed Up²" target employees at different hierarchical levels. Various groups consisting of top talent receive intensive preparation for the next step in their careers by taking on interdisciplinary projects and tasks, targeted training courses, mentoring, and coaching, as well as job rotations. Increased visibility to upper management, the creation of cross-functional collaborations, and establishing a strong network are also important components of this program.

Feedback from our employees is very important to us. Our "listening strategy" includes various ways of providing feedback and aims to record the sentiments of our employees and to understand their concerns and needs. We collect their feedback and ideas through surveys, pulse surveys, focus groups, interviews, and sentiment analyses. We do this using systems such as Amber and Workday. The feedback we receive encourages us to continue with the measures that we are implementing and to expand on them. The next global employee survey is planned to take place in 2023.



WORKS COUNCIL

Our trust-based, constructive collaboration with the Works Councils is an important part of our corporate culture. In 2022, the European Works Council of PUMA SE represented employees from 13 European countries and had 16 members. The German Works Council of PUMA SE was made up of 17 members and represented the employees of the PUMA Group in Germany. A designated member of the Works Council in Germany represents the interests of employees with disabilities.

COMPENSATION

We at PUMA offer our employees a targeted and competitive compensation system, which consists of several components. In addition to a fixed base salary, the PUMA bonus system, profit-sharing programs, and various social benefits form part of an attractive and performance-based compensation system. In addition, we offer our employees comprehensive services in the areas of further development, employee motivation, health management, and well-being. We also offer long-term incentive programs for the senior management level that honor the sustainable development and performance of the business. The bonus system is transparent and globally standardized. Incentives are exclusively linked to company goals.

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MANAGEMENT SYSTEM

We use a variety of **indicators to manage** our performance in relation to our top corporate goals. We have defined **growth and profitability as key targets** within finance-related areas. Our focus therefore is on improving sales and operating result (EBIT). These are the most significant financial performance indicators. Moreover, we aim to minimize working capital and improve free cash flow. Our Group's **Planning and Management System** has been designed to provide a variety of instruments in order to assess current business developments and derive future strategy and investment decisions. This involves the continuous monitoring of key financial indicators within the PUMA Group and a monthly comparison with budget targets. Any deviations from the targets are analyzed in detail and appropriate countermeasures are taken in the event such deviations have a negative impact.

Changes in sales are also influenced by **currency exchange effects**. This is why we also state any changes in sales in Euro, the reporting currency, adjusted for currency exchange effects in order to provide information that is relevant to the decision-making process when assessing the revenue position. Currency-adjusted sales are used for comparison purposes and are based on the values that would arise if the foreign currencies included in the consolidated financial statements were not translated at the average rates for the previous reporting year, but were instead translated at the corresponding average rates for the current year. As a result, currency-adjusted figures are not to be regarded as a substitute or as superior financial indicators, but should instead always be regarded as additional information.

We use the indicator **free cash flow** in order to determine the change in cash and cash equivalents after deducting all expenses incurred to maintain or expand the organic business of the PUMA Group. Free cash flow is calculated from the cash flow from operating activities and investment activities. We also use the indicator **free cash flow before acquisitions**, which goes beyond free cash flow and includes an adjustment for incoming and outgoing payments that are associated with shareholdings.

We use the indicator **working capital** in order to assess the financial position. Working capital is essentially the difference between current assets - including in particular inventories and trade receivables - and current liabilities. Cash and cash equivalents, the positive and negative market values of derivative financial instruments and current finance and lease liabilities are not included in working capital.

Non-financial performance indicators are of secondary importance at PUMA.

The calculation of the key financial control parameters that PUMA uses is defined as follows:



The recognition of sales is based on the provisions of IFRS 15 Revenue from contracts with customers.

PUMA's gross profit is calculated as sales minus cost of sales. Cost of sales mainly comprise the carrying amounts of inventory that were recognized as expenses during the reporting period. The gross profit margin is calculated as gross profit divided by sales.

PUMA's operating result (EBIT) is the sum of sales and royalty and commission income, minus cost of sales and other operating income and expenses (OPEX). EBIT is defined as operating result, less depreciation and amortization, provisions and impairment loss, before interest (= financial result) and before taxes. The financial result includes interest income and interest expenses as well as currency conversion differences. The EBIT margin is calculated as EBIT divided by sales.

PUMA's working capital is calculated based on the sum of current assets less the sum of current liabilities. In addition, cash and cash equivalents and positive and negative market values of derivative financial instruments are deducted. The market values of derivative financial instruments are recognized in the balance sheet in the items Other Current Assets and Other Current Liabilities not attributable to working capital. Current financial and lease liabilities are also not part of working capital.

We also use the EBITDA indicator, which represents the operating result before interest (= financial result), taxes and depreciation and amortization, to assess the results of operations. EBITDA is calculated based on the operating result (EBIT) adding depreciation and amortization, which may also contain any incurred impairment expenses relating to non-current assets. The EBITDA margin is calculated as EBITDA divided by sales.

INFORMATION REGARDING THE NON-FINANCIAL REPORT

In accordance with Sections 289b and 315b of the German Commercial Code (Handelsgesetzbuch - HGB), we are required to make a non-financial declaration for PUMA SE and the PUMA Group within the Combined Management Report or present a non-financial report external to the Combined Management Report, in which we report on environmental, social and other non-financial aspects. PUMA has been publishing Sustainability Reports since 2003 under the provisions of the Global Reporting Initiative (GRI) and since 2010 has published financial data and key sustainability indicators in one report. In this context, we report the information required under Sections 289b and 315b of the HGB in the Sustainability chapter of our Annual Report. The Non-financial Report for the financial year 2022 will be available by April 30, 2023, at the latest on the following page of our website:

<https://about.PUMA.com/en/investor-relations/financial-reports>

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Furthermore, important sustainability information can always be found in the Sustainability section on PUMA's website: <http://about.PUMA.com/en/sustainability>

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ECONOMIC REPORT

GENERAL ECONOMIC CONDITIONS

GLOBAL ECONOMY

According to the winter forecast of the Kiel Institute for the World Economy (IfW Kiel) dated December 21, 2022, the global economy weakened over the course of 2022 under the burden of high energy prices and great uncertainty. Monetary policy was rapidly tightened in view of widespread high inflationary pressure and is now also slowing growth of the global economy. The experts at IfW Kiel expect global gross domestic product (GDP) to have risen by a total of 3.2% for the past financial year 2022. Positive stimulus came from easing supply bottlenecks and the continuing normalization of activity in the sectors hit hardest by the COVID-19 pandemic. However, economic momentum dropped off noticeably toward the end of the year. At the end of 2022, the major developed economies in particular were in a phase of weak economic development, despite significant fiscal support measures. In emerging markets, economic growth is robust. In China, however, the economic situation continues to be burdened primarily by COVID-19 and also by problems in the real estate sector.

SPORTING GOODS INDUSTRY

Despite the operational challenges, the sporting goods industry was able to build on its growth of previous financial years in 2022. During the year, for example, the problematic freight situation, especially in the first half of the year, with high freight rates, inadequate capacity and overloaded ports, contributed to limited product availability. In contrast, the sporting goods industry benefited from robust consumer spending, especially in Western countries. However, due to the ongoing challenges in the supply chain, the industry was not always able to meet the increasing demand.

The major sporting events held in 2022, such as the Olympic Winter Games in Beijing and the Football World Cup in Qatar, had a positive effect on the sporting goods industry. Moreover, as a result of the COVID-19 pandemic, more sporting activity and an increasingly healthy and sustainable lifestyle, continued to gain in importance for an ever-increasing proportion of the world's population. Among other things, this resulted in the increased popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure").

SALES DEVELOPMENT

ILLUSTRATION OF SALES DEVELOPMENT IN 2022 COMPARED TO THE OUTLOOK

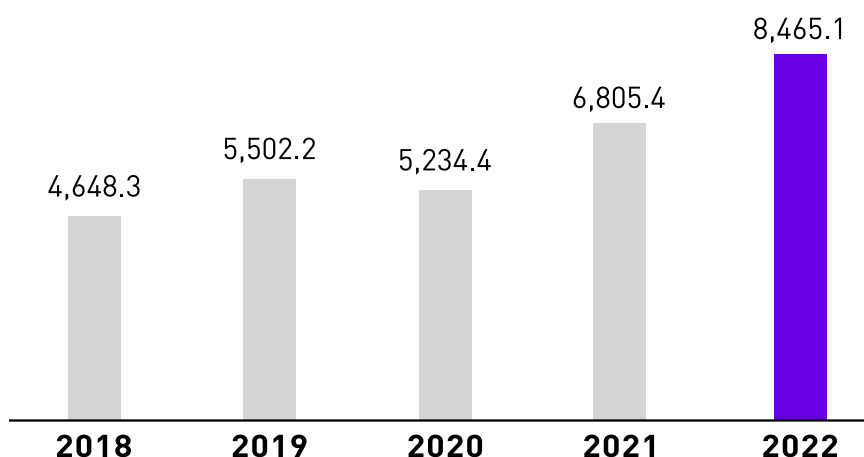
PUMA's 2021 Combined Management Report had forecasted a currency-adjusted growth in sales of at least ten percent for the financial year 2022. This forecast was increased during the year and at the end of the third quarter, PUMA expected currency-adjusted sales growth in the mid-teen percentage range for financial year 2022. Thanks to continued brand momentum, successful product launches and a strong focus on flexibility in business operations, PUMA was able to outperform the adjusted outlook for the full-year 2022, significantly exceeding the original sales target of currency-adjusted sales growth of at least ten percent. More details on sales development in the financial year 2022 are provided below.



SALES

PUMA's sales in the reporting currency, the euro, increased by 24.4% to € 8,465.1 million in the financial year 2022 (previous year: € 6,805.4 million). Currency-adjusted sales increased by 18.9%. Despite geopolitical tensions and lockdown measures, in 2022 PUMA was thus able to build on its strong currency-adjusted sales growth of +31.7% from the previous year.

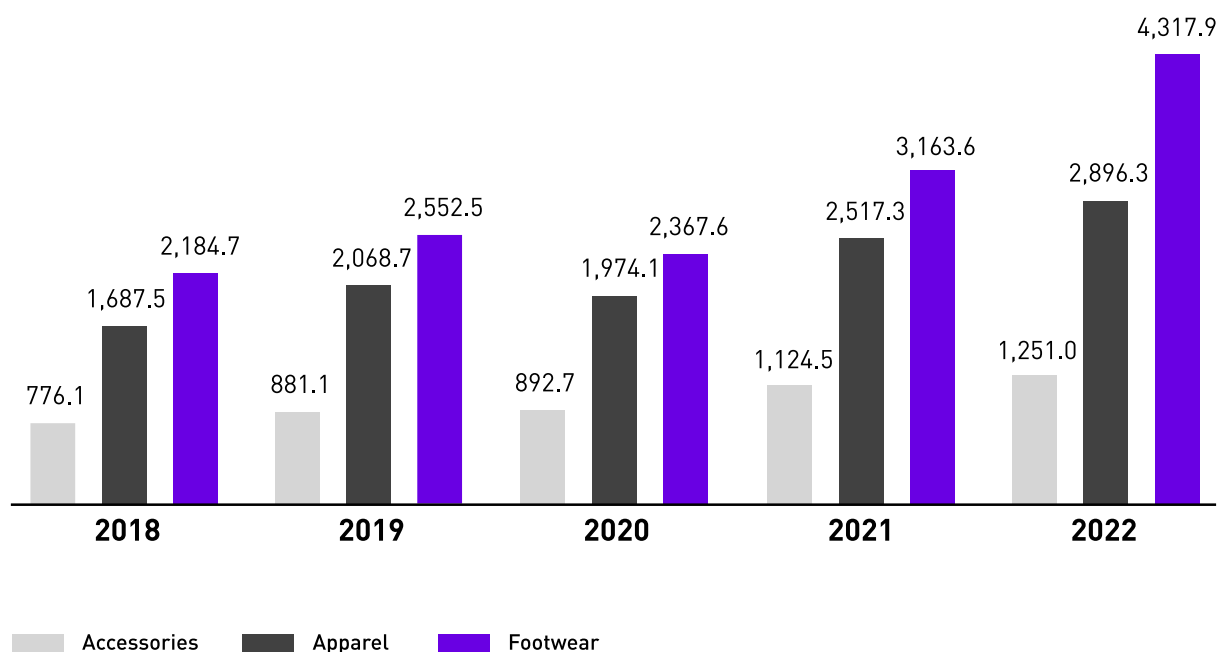
➤ G.04 SALES (€ million)



In the **Footwear** product segment, sales in the reporting currency, the euro, rose by 36.5% to € 4,317.9 million. This was the first time that Footwear had surpassed the € 4 billion sales mark. Adjusted for currency effects, sales increased by 30.8%. The strongest growth was achieved in the Sportstyle, Running & Training and Teamsport categories. The share of the Footwear division in total sales rose from 46.5% in the previous year to 51.0% in 2022.

Sales in the **Apparel** division in the reporting currency, the euro, increased by 15.1% to € 2,896.3 million. Currency-adjusted sales grew by 10.1%. The increase in sales was mainly due to higher sales in the Teamsport, Running & Training and Sportstyle categories. The share of the Apparel division decreased to 34.2% of Group sales (previous year: 37.0%).

The **Accessories** division recorded an 11.2% growth in sales in the reporting currency, the euro, to € 1,251.0 million, equivalent to currency-adjusted sales growth of 5.4%. Higher sales in the Teamsport category and with bags, caps and Cobra golf clubs contributed to this development. The division's share of Group sales declined from 16.5% in the previous year to 14.8% in 2022.

**➤ 6.05 SALES BY PRODUCT DIVISIONS (€ million)****DIRECT-TO-CONSUMER BUSINESSES**

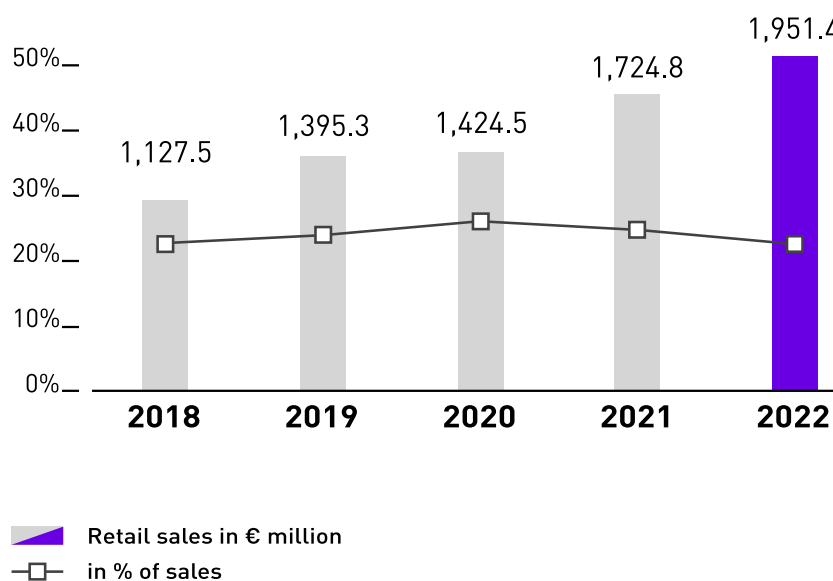
PUMA's own retail activities include direct sales to our consumers ("Direct-to-consumer business"). This includes selling to our customers in PUMA's own retail stores, the so-called "Full Price Stores" and "Factory Outlets." Our e-commerce business on our own online platforms and on the platforms of online retailers, which we refer to as "marketplaces," is also part of the direct sales to our consumers. Our own retail businesses ensure regional availability of PUMA products and the presentation of the PUMA brand in an environment suitable to our brand positioning.

PUMA's direct-to-consumer sales increased by 7.8% currency-adjusted to € 1,951.4 million in the financial year 2022. This corresponds to a share of 23.1% of total sales (previous year: 25.3%). The declining share of total sales is due in particular to the fact that we allocated more goods to our wholesale partners at a time of limited product availability. Adjusted for currency effects, sales in PUMA's own full-price stores and factory outlets increased by 11.0% in 2022. In the e-commerce business, sales increased by 2.2% in 2022, adjusted for currency effects. This development reflects the fact that consumers still value the shopping experience in retail stores, following a shift in consumer shopping behavior toward increased online shopping as a result of the COVID-19 pandemic. Notwithstanding, our e-commerce activities were particularly successful on special days in the online business, such as Singles' Day in China on November 11, the world's largest online shopping day, as well as on Black Friday on November 25 and Cyber Monday on November 28.

We expanded our e-commerce business in 2022. We also launched new online platforms in the Philippines, Thailand, Peru, Norway, Saudi Arabia and other countries in the Middle East and Africa. We also launched the PUMA shopping app in 2022. The shopping app is intended to provide our most loyal customers with access to the latest PUMA products, exclusive services and brand content in India, the USA, Great Britain and Japan.



➔ G.06 DIRECT-TO-CONSUMER SALES



LICENSING BUSINESS

PUMA grants licenses to independent partners for various product divisions, such as watches, glasses, safety shoes, workwear and gaming accessories. In addition to design, development and manufacture, these companies are also responsible for product distribution. Income from license agreements also includes some distribution licenses for different markets. PUMA's royalty and commission income increased by 41.6% to € 33.8 million in the financial year 2022 (previous year: € 23.9 million). The main reason for the increase was essentially the good business development in the Motorsport division, after Formula 1 fans returned to racetracks this year.

REGIONAL DEVELOPMENT

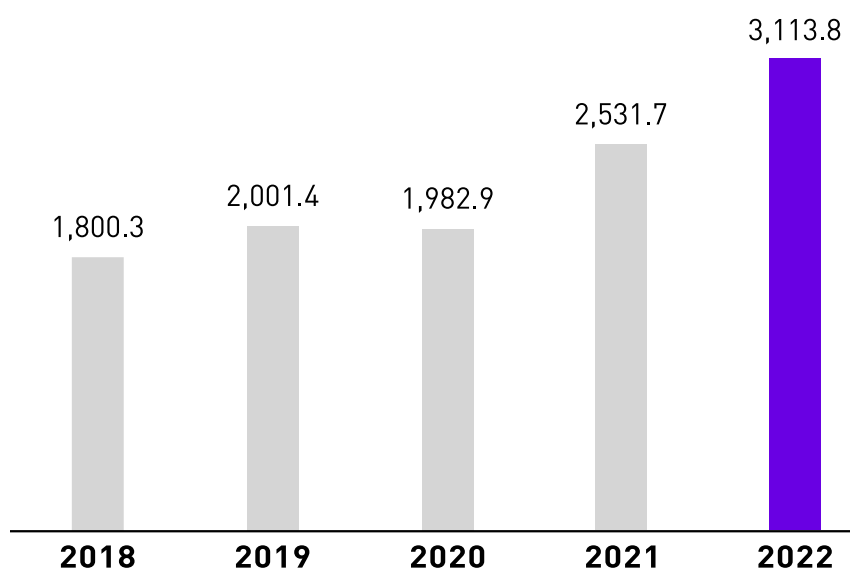
In the following explanation of the regional distribution of sales, the sales are allocated to the customers' actual region ("customer site"). It is divided into three geographical regions (EMEA, Americas and Asia/Pacific).

PUMA's sales in the reporting currency, the euro, increased by 24.4% in the financial year 2022. This corresponds to a currency-adjusted sales increase of 18.9% compared to the previous year. The growth was mainly due to strong sales development in the EMEA and Americas regions, which each posted double-digit growth rates. In contrast, sales in the Asia/Pacific region remained almost at the previous year's level.

In the **EMEA** region, sales in the reporting currency, the euro, increased by 23.0% to € 3,113.8 million, thus exceeding the € 3 billion mark for the first time in this region. This represents a currency-adjusted sales increase of 22.5%. Almost all countries in the region, with the exception of Russia and Ukraine, contributed to this development with double-digit growth rates. Particularly strong growth came from Germany, France, Italy and Turkey. In terms of Group sales, the share of the EMEA region nevertheless decreased slightly from 37.2% in the previous year to 36.8% in 2022.

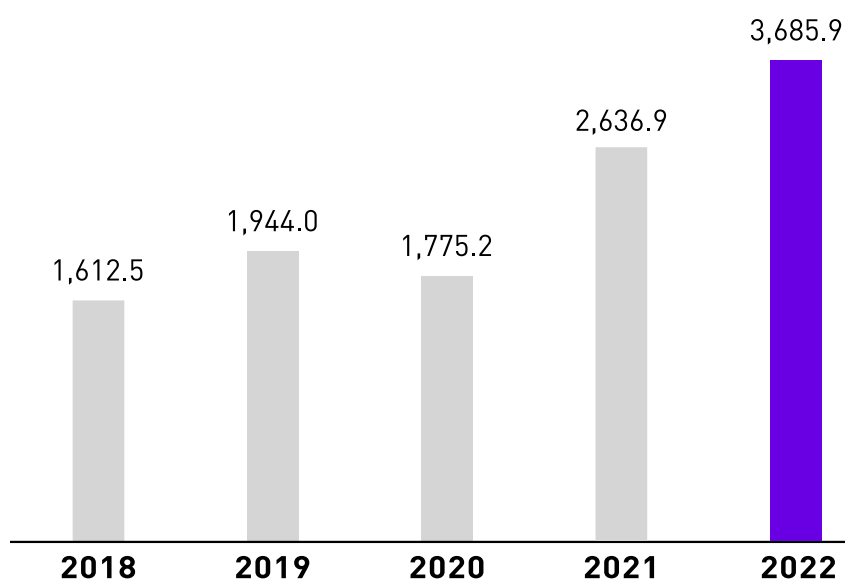
With regard to product divisions, sales revenue from Footwear recorded a currency-adjusted increase of 33.9%. Currency-adjusted sales of apparel increased by 15.6%. Currency-adjusted sales of accessories rose by 10.9%.



➤ G.07 EMEA SALES (€ million)

In the **Americas** region, sales in the reporting currency, the euro, increased by 39.8% to € 3,685.9 million, thus exceeding the € 3 billion mark for the first time in this region. Currency-adjusted sales increased by 28.3%. Latin America in particular suffered negative exchange rate effects, as the weakness of the Argentine peso against the euro had a significant negative impact on sales in Latin America denominated in the reporting currency, the euro. Due to the strong growth in sales, the Americas region's share of Group sales rose to 43.5% in 2022 (previous year: 38.7%).

In terms of product divisions, both footwear (+42.8% currency-adjusted) and apparel (+22.3% currency-adjusted) recorded particularly strong year-on-year sales growth. Revenues in the Accessories division increased slightly by 0.8%, adjusted for currency effects.

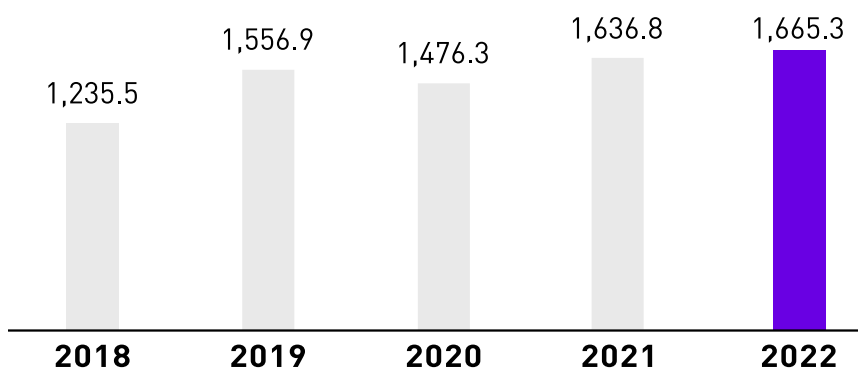
➤ G.08 AMERICAS SALES (€ million)



In the **Asia/Pacific** region, sales in the reporting currency, the euro, declined by 1.7% to € 1,665.3 million. Adjusted for currency effects, however, this corresponds to a decrease in sales of 2.2%. While sales in Greater China declined in 2022 due to the difficult market environment, India, Japan and Singapore, among others, recorded significant sales growth. The Asia/Pacific region's share of Group sales decreased from 24.1% in the previous year to 19.7% in 2022.

Looking at the product divisions, currency-adjusted sales of footwear increased by 4.9%. In the case of Apparel, currency-adjusted sales fell by 10.8% and the Accessories product division recorded currency-adjusted sales growth of 4.8%.

➤ **G.09 ASIA/PACIFIC SALES** (€ million)





RESULTS OF OPERATIONS

➤ T.01 INCOME STATEMENT

	2022		2021		+/- %
	€ million	%	€ million	%	
Sales	8,465.1	100.0%	6,805.4	100.0%	24.4%
Cost of sales	-4,562.3	-53.9%	-3,547.6	-52.1%	28.6%
Gross profit	3,902.7	46.1%	3,257.8	47.9%	19.8%
Royalty and Commission Income	33.8	0.4%	23.9	0.4%	41.6%
Other Operating Income and Expenses	-3,295.9	-38.9%	-2,724.6	-40.0%	21.0%
Operating result (EBIT)	640.6	7.6%	557.1	8.2%	15.0%
Financial Result	-88.9	-1.1%	-51.8	-0.8%	71.7%
Earnings before taxes (EBT)	551.7	6.5%	505.3	7.4%	9.2%
Taxes on income	-127.4	-1.5%	-128.5	-1.9%	-0.9%
Tax rate	23.1%		25.4%		
Net earnings attributable to non-controlling interests	-70.9	-0.8%	-67.2	-1.0%	5.5%
Net earnings attributable to shareholders of PUMA SE	353.5	4.2%	309.6	4.5%	14.2%
Weighted average shares outstanding (million)	149.65		149.59		0.0%
Weighted average shares outstanding, diluted (million)	149.66		149.60		0.0%
Earnings per share in €	2.36		2.07		14.1%
Earnings per share, diluted in €	2.36		2.07		14.1%



ILLUSTRATION OF EARNINGS DEVELOPMENT IN 2022 COMPARED TO THE OUTLOOK

In the outlook in the combined management report for 2021, PUMA forecast an operating result (EBIT) in the range between € 600 million and € 700 million for the financial year 2022 (2021: € 557 million) and net earnings to improve correspondingly. Thanks to continued brand momentum, successful product launches and a strong focus on flexibility in business operations, PUMA was able to set a new record in terms of operating result and achieve the earnings forecast for 2022 as a whole.

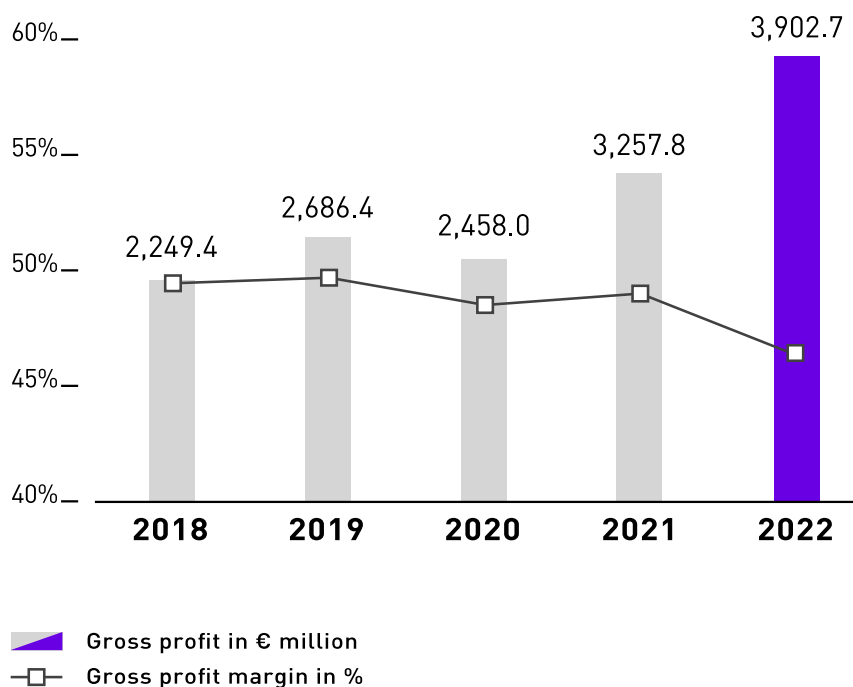
More details on earnings development in the financial year under review are provided below.

GROSS PROFIT MARGIN

PUMA's gross profit in the financial year 2022 rose by 19.8% from € 3,257.8 million to € 3,902.7 million. The gross profit margin, however, declined by 180 basis points from 47.9% to 46.1%. This development was due to higher sourcing prices due to raw materials and cost increases for incoming freight, a less favorable regional and distribution channel mix and, toward the end of the year, a promotional market environment with higher promotional activities. These negative effects were only partially offset by price adjustments and currency effects.

The gross profit margin in the Footwear division decreased from 47.3% in the previous year to 44.9% in 2022. The gross profit margin for Apparel declined from 48.9% to 47.3%. In contrast, the gross profit margin for Accessories rose from 47.1% to 47.4%.

➤ 6.10 GROSS PROFIT/GROSS PROFIT MARGIN

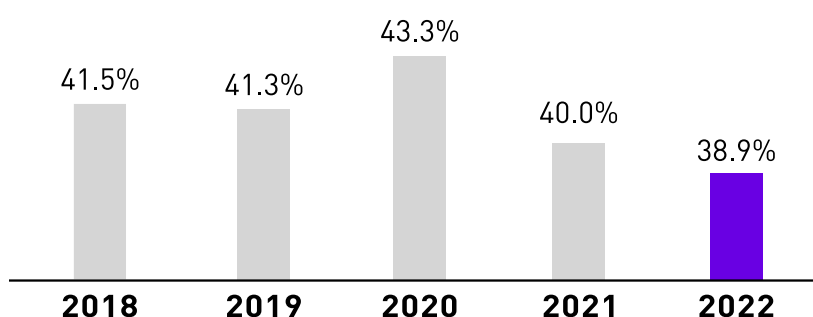




OTHER OPERATING INCOME AND EXPENSES

Net expenses from other operating income and expenses (OPEX) increased by 21.0% from a total of € 2,724.6 million in the previous year to € 3,295.9 million in the financial year 2022. Higher expenses for marketing, a higher number of own retail stores, higher sales-related distribution and warehousing costs as well as operational inefficiencies due to the ongoing negative impact of the COVID-19 pandemic contributed to this development. Meanwhile, continued cost control resulted in a significantly weaker increase in other operating income and expenses compared to sales growth. The operating leverage achieved is also reflected in the decrease in the expense ratio from 40.0% in the previous year to 38.9% in 2022, which contributed significantly to the improvement in the operating result in the financial year 2022.

➔ 6.11 OPERATING EXPENSES (as a % of sales)



Within sales expenses, marketing/retail expenses increased by 20.6% to € 1,578.5 million, while the cost ratio was 18.6% of sales in 2022, compared with a cost ratio of 19.2% in the previous year. Other sales expenses, which mainly include sales-related costs and costs for warehousing and logistics, increased by 22.3% to € 1,098.7 million. The cost ratio of other sales expenses decreased to 13.0% of sales in 2022 compared to a cost ratio of 13.2% in the previous year.

Research and development/product management expenses increased by 33.7% to € 153.1 million compared to the previous year and the cost ratio rose slightly to 1.8%. Other operating income in the past financial year amounted to € 0.1 million. General and administrative expenses increased by 15.0% to € 465.8 million in 2022. The cost ratio of general and administrative expenses declined to 5.5% of sales in 2022. Depreciation and amortization is included in the relevant costs and total € 332.8 million (previous year: € 287.3 million). In addition, the respective costs include impairment losses relating to right-of-use assets totaling € 26.0 million (previous year: € 18.5 million).



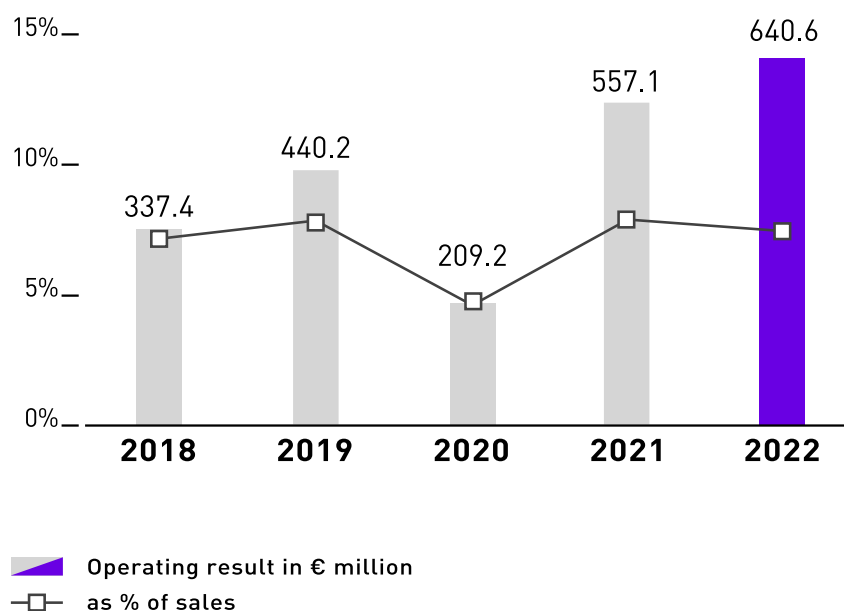
RESULT BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTIZATION (EBITDA)

The result before interest (= financial result), taxes, depreciation and amortization (EBITDA) increased by 15.8%, from € 862.8 million to € 999.3 million, in the financial year 2022. The EBITDA margin, however, declined from 12.7% in the previous year to 11.8% in 2022.

OPERATING RESULT (EBIT)

In the financial year 2022, the operating result increased by 15.0% from € 557.1 million in the previous year to € 640.6 million. The improvement in the operating result in the financial year 2022 was attributable to the strong sales growth combined with a smaller increase in other operating income and expenses compared to sales growth. However, due to the development of the gross profit margin, the EBIT margin declined from 8.2% in the previous year to 7.6% in 2022.

➔ 6.12 OPERATING RESULT – EBIT



FINANCIAL RESULT

The financial result decreased in 2022 from a total of € -51.8 million in the previous year to € -88.9 million. Despite the improvement of the interest result (the net total of interest income and interest expenses) in 2022 to € 17.7 million (previous year: € -1.0 million) above all the hyperinflation effect in relation to expenses of € 27.8 million, higher expenses from interest-rate components in connection with forward exchange contracts ("swap points") in the amount of € -22.8 million (previous year: € -9.7 million) and the increase in interest expenses from lease liabilities to € -38.6 million (previous year: € -31.5 million) led to a decline in the financial result. Expenses from foreign currency translation differences amounted to € - 2.2 million in 2022 compared with € -9.0 million in the previous year.

EARNINGS BEFORE TAXES (EBT)

In the financial year 2022, PUMA generated earnings before taxes of € 551.7 million. This represents a significant year-on-year increase of 9.2% (€ 505.3 million). Tax expenses remained almost constant and amounted to € 127.4 million compared with € 128.5 million in the previous year. Accordingly, the tax rate declined from 25.4% to 23.1% in 2022.



NET EARNINGS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

Net earnings attributable to non-controlling interests relate to companies in the North American market, in each of which the same shareholder holds a minority stake. The earnings attributable to these interests increased by 5.5% to € 70.9 million in the 2022 financial year (previous year: € 67.2 million). The companies affected are PUMA United North America, PUMA United Aviation North America and PUMA United Canada. The business purpose of these companies is mainly the sale of socks, bodywear, accessories and children's apparel in the North American market.

CONSOLIDATED NET EARNINGS

Net earnings improved by 14.2% from € 309.6 million to € 353.5 million in the 2022 financial year, representing the highest consolidated net earnings in PUMA's corporate history to date. The increase in consolidated net earnings was mainly the result of strong growth in sales combined with the operating leverage achieved. In contrast, the decline of the gross profit margin and the declining financial result in 2022 had a negative effect on the development of consolidated net earnings.

Earnings per share and diluted earnings per share increased from € 2.07 in the previous year to € 2.36 in the financial year 2022, in line with the development of the consolidated net earnings.

DEVELOPMENT OF THE INDIVIDUAL SEGMENTS

Internal management of the PUMA Group is carried out across seven segments (Europe, EEMEA, North America, Latin America, Greater China, Asia/Pacific (excluding Greater China) and stichd), based on the registered office of the respective subsidiaries. The differences from the presented regional development of sales are essentially down to the separated "stichd" segment and India and Southeast Asia, which are allocated to the EEMEA segment.

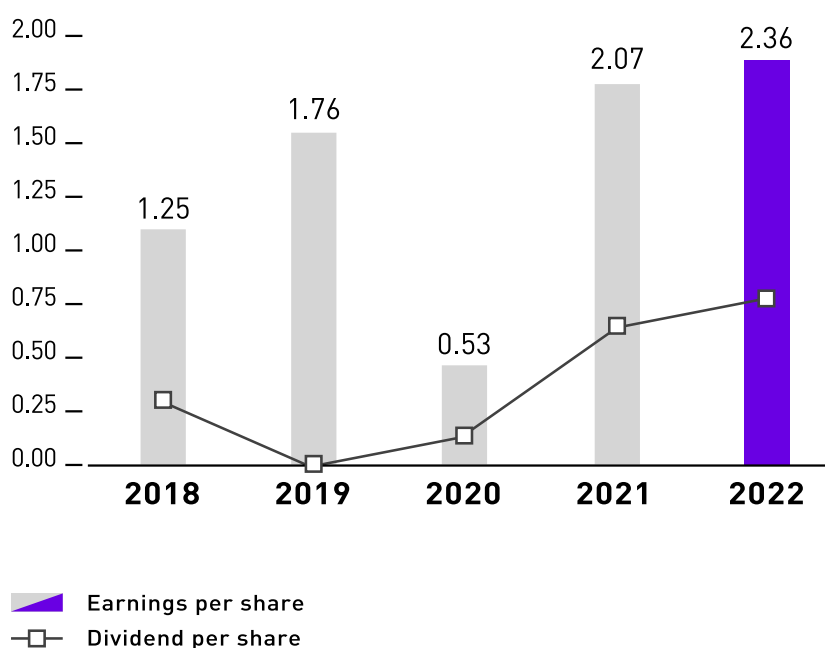
The operating segments developed in line with the trends already discussed. The exception was the Greater China segment, where sales and operating result declined due to the geopolitical tensions and COVID-19-related restrictions. Sales in the Asia/Pacific segment (excluding Greater China) rose in the low double-digit percentage range due to the comparatively strong growth in Japan. Sales in the stichd segment rose in the mid-double-digit percentage range in the financial year 2022 due to a very positive development in the Fanwear range. In the North America segment, despite significantly increased sales, there was only a slight increase in the operating result due to higher promotional activities.



DIVIDENDS

Based on the positive net earnings, the Management Board and the Supervisory Board propose to the Annual General Meeting on May 24, 2023, that a dividend of € 0.82 per share be paid out from retained earnings of PUMA SE for the financial year 2022. The payout ratio for financial year 2022 is 34.7% of consolidated net earnings. This is in accordance with PUMA SE's dividend policy, which foresees a payout ratio of 25% to 35% of consolidated net earnings according to IFRS. The payment of the dividend is to take place in the days after the Annual General Meeting at which the decision is made on the payout. In the previous year, a dividend of € 0.72 per share was paid out and the payout ratio was 34.8% of consolidated net earnings.

➤ G.13 EARNINGS/DIVIDEND PER SHARE (in €)





NET ASSETS AND FINANCIAL POSITION

➤ T.02 BALANCE SHEET

	12/31/2022		12/31/2021		+/- %
	€ million	%	€ million	%	
Cash and Cash Equivalents	463.1	6.8%	757.5	13.2%	-38.9%
Inventories *	2,245.1	33.1%	1,492.2	26.1%	50.4%
Trade receivables *	1,064.9	15.7%	848.0	14.8%	25.6%
Other Current Assets *	304.1	4.5%	268.7	4.7%	13.1%
Other Current Assets	123.2	1.8%	123.3	2.2%	-0.1%
Current assets	4,200.4	62.0%	3,489.8	60.9%	20.4%
Deferred taxes	295.0	4.4%	279.9	4.9%	5.4%
Right-of-use assets	1,111.3	16.4%	940.5	16.4%	18.2%
Other non-current assets	1,166.0	17.2%	1,018.0	17.8%	14.5%
Non-current assets	2,572.3	38.0%	2,238.4	39.1%	14.9%
Total assets	6,772.7	100.0%	5,728.3	100.0%	18.2%
Current financial liabilities	75.9	1.1%	68.5	1.2%	10.8%
Trade payables *	1,734.9	25.6%	1,176.5	20.5%	47.5%
Other current liabilities *	792.3	11.7%	704.6	12.3%	12.5%
Current lease liabilities	200.2	3.0%	172.4	3.0%	16.1%
Other current liabilities	39.7	0.6%	42.6	0.7%	-6.7%
Current liabilities	2,843.0	42.0%	2,164.5	37.8%	31.3%
Deferred taxes	42.0	0.6%	48.8	0.9%	-14.0%
Pension provisions	22.4	0.3%	31.9	0.6%	-30.0%
Non-current lease liabilities	1,030.3	15.2%	851.0	14.9%	21.1%
Other non-current liabilities	296.2	4.4%	353.5	6.2%	-16.2%
Non-current liabilities	1,390.9	20.5%	1,285.3	22.4%	8.2%
Equity	2,538.8	37.5%	2,278.5	39.8%	11.4%
Total liabilities and equity	6,772.7	100.0%	5,728.3	100.0%	18.2%
Working capital	1,086.8		727.9		49.3%
– in % of sales	12.8%		10.7%		

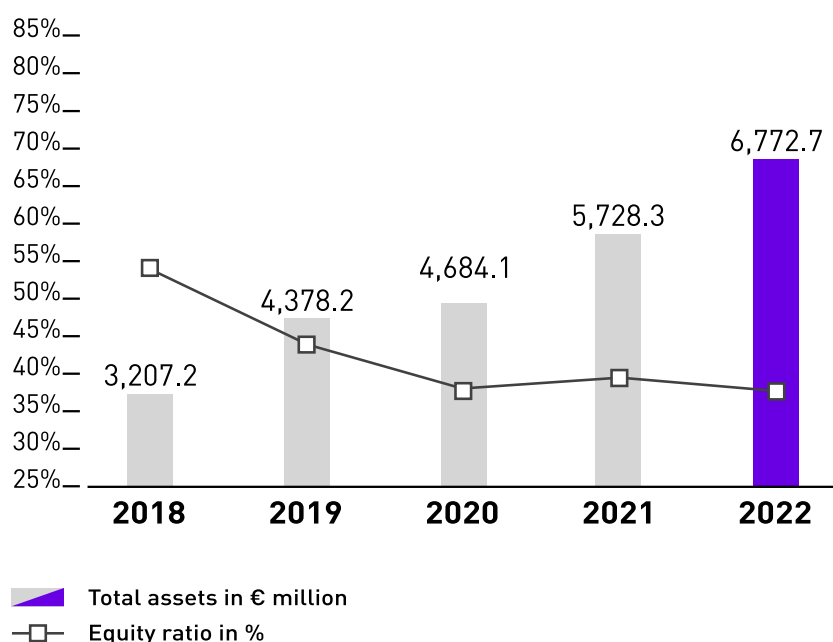
* included in working capital



EQUITY RATIO

PUMA has a very solid capital base. As of the balance sheet date, the equity of the PUMA Group increased by 11.4%, from € 2,278.5 million in the previous year to € 2,538.8 million as of December 31, 2022. In addition to the positive consolidated net earnings, the positive other comprehensive income of € 8.2 million directly recorded in equity also contributed to the increase in equity. As at the balance sheet date, total assets increased by 18.2% from € 5,728.3 million in the previous year to € 6,772.7 million. Overall, this resulted in a decline in the equity ratio by 2.3 percentage points from 39.8% in the previous year to 37.5% as of December 31, 2022.

➤ G.14 TOTAL ASSETS/EQUITY RATIO

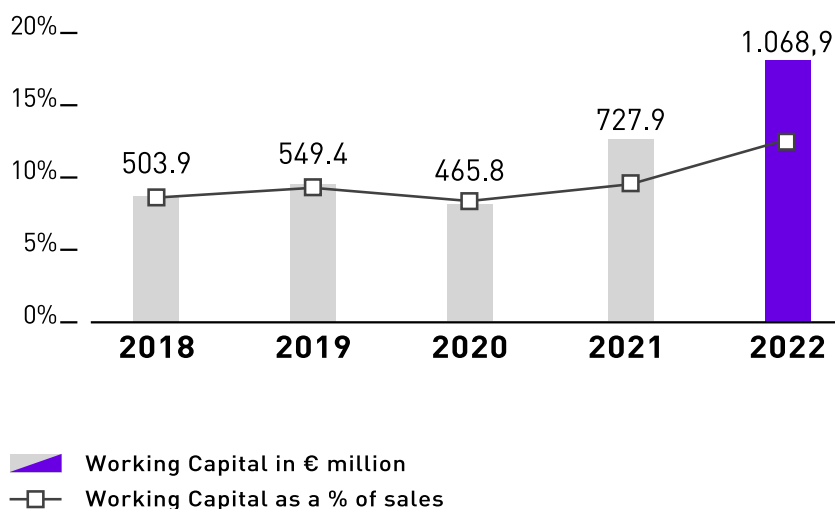


WORKING CAPITAL

As of the balance sheet date, working capital increased by 49.3% from € 727.9 million in the previous year to € 1,086.8 million as of December 31, 2022. In relation to sales in the respective financial year, this corresponds to an increase in the working capital ratio from 10.7% in the previous year to 12.8% at the end of 2022. This development was mainly due to the overall stronger increase in inventories and trade receivables compared to the increase of trade payables.

On the assets side, inventories rose by 50.4% as at the balance sheet date from € 1,492.2 million to € 2,245.1 million. Higher raw material prices and cost increases for incoming freight, unfavorable exchange rate effects and earlier product purchases to improve the availability of goods contributed significantly to this increase. In addition, a higher number of own retail stores led to an increase of inventories. Trade receivables increased by 25.6% from € 848.0 million to € 1,064.9 million as of the balance sheet date as a result of strong sales growth. Other current assets, which are attributable to working capital, increased by 13.1% from € 268.7 million to € 304.1 million, mainly due to higher tax refund claims.

On the liabilities side, trade payables increased by 47.5%, from € 1,176.5 million to € 1,734.9 million due to higher inventories. Other current liabilities, which are contained in working capital and include, among other things, customer bonus and warranty provisions, rose by 12.5% from € 704.6 million to € 792.3 million as a result of the sales increase.

➤ **G.15 WORKING CAPITAL****OTHER ASSETS AND OTHER LIABILITIES**

At € 123.2 million, other current assets outside of working capital, which exclusively include the positive market value of derivative financial instruments, remained almost constant compared with the previous year (€ 123.3 million).

Right-of-use assets increased by 18.2% year-on-year from € 940.5 million to € 1,111.3 million, mainly as a result of the opening of new warehouses (USA and Canada) and the move into new office buildings (Japan), as well as the increase in the number of own retail stores. The right-of-use assets referred to own retail stores totaling € 430.9 million (previous year: € 382.9 million), warehouses and offices totaling € 613.1 million (previous year: € 505.8 million) and other lease items, mainly technical equipment and machines and motor vehicles, totaling € 67.3 million as of December 31, 2022 (previous year: € 51.9 million). On the liabilities side, this led to an increase in current and non-current lease liabilities.

Other non-current assets, which mainly comprise intangible assets and property, plant and equipment, increased by 14.5% from € 1,018.0 million to € 1,166.0 million in the past financial year. The increase is linked to the expansion of investment activities in 2022, following the lower pandemic-related reduction in investments in non-current assets in previous years.

As of December 31, 2022, current financial liabilities included the current portion of the promissory note loans in the amount of € 60.0 million and current liabilities to banks in the amount of € 15.9 million. In the previous year, the current portion of the promissory note loans in the amount of € 68.5 million was also included.

Other current liabilities, which include the negative market value of derivative financial instruments, declined from € 42.6 million to € 39.7 million compared to the previous year.

Pension provisions fell from € 31.9 million in the previous year to € 22.4 million. This development was mainly due to the increase in interest rates, which led to a positive effect in the revaluation of the net debt from defined benefit plans.

Other non-current liabilities, which mainly include promissory note loans totaling € 251.5 million (previous year: € 311.5 million), amounted to € 296.2 million (previous year: € 353.5 million).



CASH FLOW

➤ T.03 CASH FLOW STATEMENT

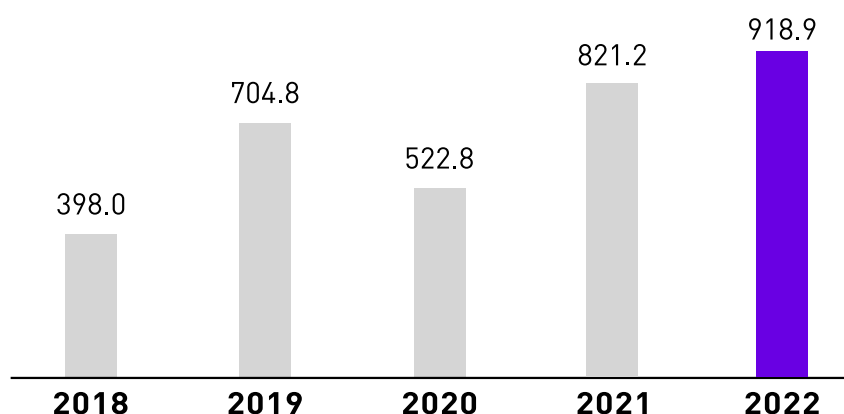
	2022	2021	
	€ million	€ million	+/- %
Earnings before taxes (EBT)	551.7	505.3	9.2%
Financial result and non-cash expenses and income	367.2	315.9	16.2%
Gross cash flow	918.9	821.2	11.9%
Change in net current assets	-343.3	-214.3	60.2%
Payments for taxes on income	-157.4	-146.9	7.2%
Net cash from operating activities	418.3	460.1	-9.1%
Payments for acquisitions	0.0	0.0	-
Payments for investing in fixed assets	-263.6	-202.4	30.2%
Other investing and divestment activities incl. interest received	22.8	18.6	22.7%
Net cash used in investing activities	-240.8	-183.8	31.0%
Free cash flow	177.5	276.2	-35.7%
Free cash flow (before acquisitions)	177.5	276.2	-35.7%
– in % of sales	2.1%	4.1%	
Dividend payments to shareholders of PUMA SE	-107.7	-23.9	-
Dividend payments to non-controlling interests	-73.3	-47.8	53.3%
Proceeds from borrowings	17.9	235.0	-92.4%
Cash repayments of borrowings	-69.5	-121.9	-43.0%
Repayments of lease liabilities	-190.0	-160.9	18.1%
Payments of interest	-53.8	-44.4	21.2%
Net Cash used in financing activities	-476.4	-164.0	-
Exchange rate-related changes in cash and cash equivalents	4.4	-10.5	-
Changes in cash and cash equivalents	-294.4	101.7	-
Cash and cash equivalents at the beginning of the financial year	757.5	655.9	15.5%
Cash and cash equivalents at the end of the financial year	463.1	757.5	-38.9%



NET CASH FROM OPERATING ACTIVITIES

Gross cash flow increased by 11.9% from € 821.2 million to € 918.9 million in the financial year 2022. This development was due to the increase in earnings before tax (EBT +9.2%) and the increase in non-cash adjustments in relation to the financial result and other non-cash expenses and income.

➤ 6.16 GROSS CASH FLOW (€ million)



As a result of the increase in working capital, there was a cash outflow from the change in net working capital* of € -343.3 million in the financial year 2022 compared with a cash outflow of € -214.3 million in the previous year. The cash outflow from payments for income taxes increased from € -146.9 million in the previous year to € -157.3 million in the financial year 2022 due to the increase in profitability. In total, this resulted in a decline in cash inflow from operating activities of 9.2% from € 460.1 million to € 418.3 million.

NET CASH USED IN INVESTING ACTIVITIES

In the financial year 2022, cash outflow from investment activities increased from a total of € 183.8 million to € 240.8 million. The investments in fixed assets included in this figure increased from € 202.4 million in the previous year to € 263.6 million in 2022 in line with our investment planning. The increase was primarily attributable to investments in own retail stores, in our logistics infrastructure and in new administrative buildings. In addition, investments in the modernization of the IT infrastructure continued to be made. The increase in capital expenditures relates in particular to the North America and Latin America segments and the central areas, which are not allocated to the business segments.

* Net current assets include working capital line items plus current assets and liabilities, which are not part of the working capital calculation. Current lease liabilities are not part of the net current assets.

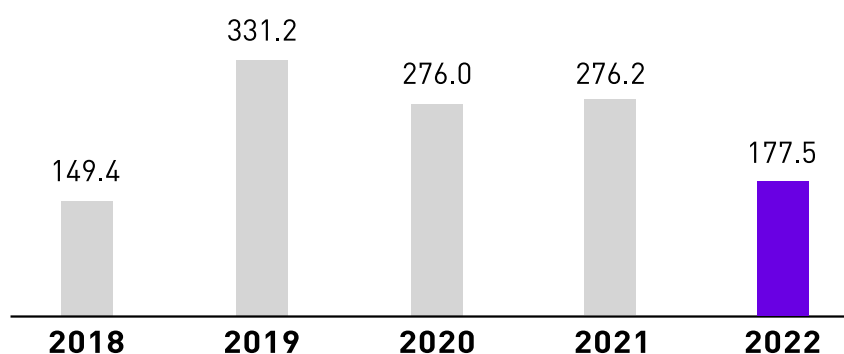


FREE CASH FLOW BEFORE ACQUISITIONS

The free cash flow before acquisitions is the balance of the cash inflows and outflows from operating and investing activities. In addition, an adjustment is made for incoming and outgoing payments that relate to the purchase or sale of shareholdings, where applicable. No acquisitions were made in 2021 and 2022.

Free cash flow before acquisitions decreased from € 276.2 million in the previous year to € 177.5 million in the financial year 2022. Free cash flow before acquisitions was 2.1% of sales compared to 4.1% in the previous year.

➤ G.17 FREE CASH FLOW (BEFORE ACQUISITIONS) (€ million)



NET CASH USED IN FINANCING ACTIVITIES

The net cash used in financing activities increased overall from a cash outflow of € 164.0 million in the previous year to a cash outflow of € 476.4 million in 2022. The increase in cash outflows resulted mainly from higher dividend payments and lower proceeds from borrowing.

A dividend payment of € 107.7 million was distributed to the shareholders of PUMA SE for the financial year 2021. In the previous year, the dividend payment was € 23.9 million. The net cash used in financing activities also included payouts to non-controlling interests totaling € 73.3 million in 2022 (previous year: € 47.8 million). Cash inflows from borrowings amounted to € 17.0 million, compared with cash inflows of € 235.0 million in the previous year. In the financial year 2022, payments made for the repayment of financial liabilities totaled € 68.5 million (previous year: € 121.9 million). The cash outflows for the repayment of leasing liabilities and related interest expenses included in the cash outflow from financing activities increased from a total of € 192.4 million in the previous year to € 228.7 million in 2022.

As of December 31, 2022, PUMA had cash and cash equivalents of € 463.1 million, a decrease of 38.9% compared with the previous year (€ 757.5 million). The PUMA Group also had credit lines totaling € 1,271.0 million as of December 31, 2022 (previous year: € 1,322.0 million). Unutilized credit lines totaled € 943.7 million on the balance sheet date, compared to € 942.0 million in the previous year.



STATEMENT REGARDING THE BUSINESS DEVELOPMENT AND THE OVERALL SITUATION OF THE GROUP

Despite the challenges in the business environment, 2022 was an excellent financial year for PUMA. The ongoing negative effects of the COVID-19 pandemic led in particular to delays in the supply chain and, especially in the first half of the year, restricted product availability. In addition, there were negative effects in the form of lockdown measures, particularly in China, where retail stores had to be closed temporarily. Russia's invasion of Ukraine prompted us to suspend our retail activities in these two countries in early March. Nevertheless, in such a difficult market environment, we were able to achieve the highest sales to date and, at the same time, the best result ever achieved in the history of PUMA.

Our "People First" approach is an important pillar of our strategy. We want to offer our employees an attractive working environment and diversity plays an important role in our corporate culture. PUMA has received several awards for this successful strategy in 2022, including the "Top Employer Award" in two regions and 16 countries as well as the German Diversity Award. We were able to further optimize our processes by expanding logistics centers in our key markets and opening new warehouses in Mexico, Dubai and Thailand. We also invested in improving our IT infrastructure, product development and ERP systems.

We were able to achieve currency-adjusted sales growth of 18.9% in the financial year 2022. We were also able to make improvements in terms of the operating result in 2022, achieving the best operating result and consolidated net earnings in PUMA's corporate history. In addition to the strong sales growth, this development was also attributable to the operating leverage. In contrast, higher sourcing prices due to raw materials and cost increases for incoming freight, an unfavorable regional and distribution channel mix and a promotional market environment with higher promotional activities had a negative effect on the development of the gross profit margin.

The operating result of € 640.6 million in the past financial year was within our forecast range of between € 600 million and € 700 million. Earnings per share increased compared with the previous year, rising from € 2.07 to € 2.36. This means that we achieved our profitability targets in the past financial year.

With regard to the consolidated balance sheet, we believe that PUMA continues to have a very solid capital base. As of the balance sheet date, the PUMA Group's equity amounted to more than € 2.5 billion and the equity ratio was 37.5%.

The situation in the sourcing market continued to be tense in view of the COVID 19-related lockdown risks as well as due to the challenging freight market. Against this background, product availability was prioritized and products were purchased earlier, resulting in a negative impact on working capital and cash flow. Our cash and cash equivalents amounted to € 463.1 million as of the balance sheet date. In addition, the PUMA Group has unutilized credit lines totaling € 943.7 million at its disposal.

Consequently, the net assets, financial position and results of operations of the PUMA Group is overall very solid at the time the Combined Management Report was prepared. This enables the Management Board and the Supervisory Board to propose to the Annual General Meeting on May 24, 2023, a dividend of € 0.82 per share for the financial year 2022. This corresponds to a payout ratio of 34.7% in relation to the consolidated net earnings according to IFRS and is in line with our dividend policy.



COMMENTS ON THE FINANCIAL STATEMENTS OF PUMA SE IN ACCORDANCE WITH THE GERMAN COMMERCIAL CODE (HGB)

The annual financial statements of PUMA SE are prepared in accordance with the rules of the German Commercial Code (German GAAP, HGB), taking into account the SEAG (German SE Implementation Act) and the German Stock Corporation Act (AktG). PUMA SE is the parent company of the PUMA Group. PUMA SE's results are to a large extent influenced by the directly and indirectly held subsidiaries and shareholdings. The business development of PUMA SE is essentially subject to the same risks and opportunities as the PUMA Group. In addition, the management of earnings before taxes (EBT) is affected by changes in the financial result.

PUMA SE is responsible for wholesale business in the DACH area, consisting of the home market of Germany, Austria, and Switzerland. Furthermore, PUMA SE is also responsible for pan-European distribution for individual key accounts and for sourcing products from European production countries, as well as global licensing management. In addition, PUMA SE acts as a holding company within the PUMA Group and is as such responsible for international product development, merchandising, international marketing, the global areas of finance, operations and PUMA's strategic direction.

RESULTS OF OPERATIONS

➤ T.04 PROFIT AND LOSS STATEMENT (GERMAN GAAP, HGB)

	2022		2021		+/- %
	€ million	%	€ million	%	
Sales	1,151.9	100.0%	948.7	100.0%	21.4%
Other operating income	84.0	7.3%	31.4	3.3%	167.5%
Material expenses	-316.4	-27.5%	-270.8	-28.5%	16.8%
Personnel expenses	-120.2	-10.4%	-120.4	-12.7%	-0.2%
Depreciation and amortization	-36.8	-3.2%	-29.4	-3.1%	25.3%
Other operating expenses	-816.3	-70.9%	-630.8	-66.5%	29.4%
Total expenses	-1,289.7	-112.0%	-1,051.4	-110.8%	22.7%
Financial Result	189.5	16.5%	208.6	22.0%	-9.1%
Income before taxes	135.8	11.8%	137.3	14.5%	-1.0%
Taxes on income	-18.8	-1.6%	-13.7	-1.4%	37.4%
Net income	117.0	10.2%	123.6	13.0%	-5.4%

In the financial year 2022, **sales** increased by a total of 21.4% to € 1,151.9 million. The increase resulted both from higher revenues from product sales and from higher commission income in the context of license management. Revenues from PUMA SE product sales rose by 23.4% to € 508.9 million (previous year: € 412.5 million). Royalty and commission income included in sales increased by 19.0% to € 589.0 million (previous year: € 495.1 million). Other sales, which mainly consisted of recharges of costs to affiliated companies, totaled € 53.9 million in 2022 (previous year: € 41.2 million).



Other operating income amounted to € 84.0 million in 2022 (previous year: € 31.4 million) and includes, in particular, realized and unrealized gains from currency conversion related to the measurement of receivables and liabilities in foreign currencies at the balance sheet date.

The total **expenditure** from material expenses, personnel expenses, depreciation and other operating expenses increased by 22.7% to € 1,289.7 million compared to the previous year (previous year: a total of € 1051.4 million). The increase in material expenses compared to the previous year was mainly due to the increase of sales. Personnel expenses are at the previous year's level due to a higher number of employees and, in contrast, lower additions to personnel provisions. Other operating expenses increased compared with the previous year, mainly due to increased administrative, marketing and sales expenses.

The **financial result** declined year-on-year by 9.1% to € 189.5 million. The decline was mainly due to higher expenses and lower income from the transfer of income from affiliated companies. In addition, the investment in Borussia Dortmund GmbH & Co. KGaA (BVB), Dortmund, was written down in the financial year due to an impairment of € 5.7 million, which is expected to be permanent. In contrast, significant higher income from dividends from investments in affiliated companies and improved net interest income had a positive effect on the development of the financial result.

The significant increase in sales was offset by the increase of expenses and the decline of the financial result, which is why **earnings before income taxes** declined by 1.0% from € 137.3 million in the previous year to € 135.8 million in 2022. **Taxes on income** amounted to € 18.8 million (previous year: € 13.7 million). Accordingly, PUMA SE's **net income** under the German Commercial Code (German GAAP, HGB) decreased by 5.4% to € 117.0 million in the financial year 2022 (previous year: € 123.6 million).

NET ASSETS

➤ T.05 BALANCE SHEET (GERMAN GAAP, HGB)

	12/31/2022		12/31/2021		+/- %
	€ million	%	€ million	%	
Total fixed assets	1,100.3	43.7%	1,087.0	50.3%	1.2%
Inventories	115.2	4.6%	53.9	2.5%	113.6%
Receivables and other current assets	1,177.8	46.8%	607.2	28.1%	94.0%
Cash and cash equivalents	96.5	3.8%	398.8	18.4%	-75.8%
Total current assets	1,389.5	55.2%	1,059.9	49.0%	31.1%
Other	25.2	1.0%	15.1	0.7%	66.5%
Total assets	2,515.1	100.0%	2,162.0	100.0%	16.3%
Equity	933.8	37.1%	916.9	42.2%	1.8%
Accruals/provisions	141.9	5.6%	117.6	5.4%	20.7%
Liabilities	1,438.9	57.2%	1,127.0	52.1%	27.7%
Other	0.5	0.0%	0.5	0.0%	0.3%
Total liabilities and equity	2,515.1	100.0%	2,162.0	100.0%	16.3%



Fixed assets increased by a total of 1.2% to € 1,100.3 million in 2022. The increase is associated with further investments in IT. In addition, the unscheduled depreciation of the shares in Borussia Dortmund GmbH & Co. KGaA (BVB) had an opposite effect.

The increase in inventories in **current assets** by 113.6% to € 115.2 million was mainly due to the improved availability of goods, as inventories were at a lower level at the balance sheet date in the previous year due to COVID-19-related factory closures in Vietnam. In addition, general growth contributed to the increase in inventories. Receivables and other assets increased by a total of 94.0% compared with the previous year to € 1,177.8 million. In particular, increased receivables from affiliated companies contributed to this development. Cash and cash equivalents decreased by 75.8% to € 96.5 million compared to the previous year.

On the **liabilities side**, equity rose by 1.8% to € 933.8 million, as a result of the net income in 2022. Despite this, an increase in total assets due to higher provisions and liabilities led to a reduction in the equity ratio at the balance sheet date from 42.4% in the previous year to 37.1% as of December 31, 2022.

Provisions increased by 20.7% year-on-year to € 141.9 million. This development resulted from higher provisions for taxes and for outstanding invoices. Liabilities increased from € 1,127.0 million in the previous year to € 1,438.9 million as of December 31, 2022. This increase was mainly the result of increased liabilities to affiliated companies due to goods deliveries. In contrast, liabilities to banks declined due to the partial repayment of promissory note loans.

FINANCIAL POSITION

➤ T.06 CASH FLOW STATEMENT (GERMAN GAAP, HGB)

	2022	2021	
	€ million	€ million	+/- %
Net cash from operating activities	4.9	124.0	-96.0%
Net cash used in investing activities	-441.2	-206.7	113.4%
Free cash flow	-436.3	-82.7	>100%
Net cash from financing activities	134.0	221.4	-39.5%
Change in cash and cash equivalents	-302.3	138.6	>-100%
Cash and cash equivalents at the beginning of the financial year	398.8	260.2	53.3%
Cash and cash equivalents at the end of the financial year	96.5	398.8	-75.8%

Cash inflow from operating activities decreased in the 2022 financial year from € 124.0 million to € 4.9 million. This development was mainly due to the increase of inventories.

The **net cash used in investing activities** in 2022 includes investments in fixed assets and cash outflows from the granting of receivables to affiliated companies.



Net cash from financing activities showed a total cash inflow of € 134.0 million in 2022 (previous year: € 221.4 million). The cash inflow was mainly attributable to the increase in liabilities to affiliated companies. In contrast, the partial repayment of promissory note loans in the amount of € 68.5 million and the dividend payment to the shareholders of PUMA SE for the financial year 2021 of € 107.7 million resulted in a cash outflow.

OUTLOOK

In PUMA SE's financial statements under German Commercial Code (German GAAP, HGB), we expect an increase in sales in the high single-digit percentage range for the financial year 2023. Assuming dividends from investments in affiliated companies at the previous year's level, we expect earnings before tax for the financial year 2023 to be at the previous year's level.



INFORMATION CONCERNING TAKEOVERS

The following information, valid December 31, 2022, is presented in accordance with Art. 9 p. 1 c) (ii) of the SE Regulation in conjunction with Sections 289a, 315a German Commercial Code (HGB). Details under Sections 289a, 315a HGB which do not apply at PUMA SE are not mentioned.

Composition of the subscribed capital (Sections 289a [1][1], 315a [1][1] HGB)

On the balance sheet date, subscribed capital totaled € 150,824,640.00 and was divided into 150,824,640 no-par value shares with a proportional amount in the statutory capital of € 1.00 per share. As of the balance sheet date, the Company held 1,065,996 treasury shares.

Shareholdings exceeding 10% of the voting rights (Sections 289a [1][3], 315a [1][3] HGB)

As of December 31, 2022, there was one shareholding in PUMA SE that exceeded 10% of the voting rights. It was held by the Pinault family via several companies controlled by them (ranked by size of stake held by the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The shareholding of Kering S.A. in PUMA SE amounted to 3.96% of the share capital according to Kering's 2022 First-half report from July 27, 2022. The shareholding of Artémis S.A.S. and Kering S.A. together amounts to 32.48% of the share capital.

Statutory provisions and regulations of the Articles of Association on the appointment and dismissal of the members of the Management Board and on amendments to the Articles of Association (Sections 289a [1][6], 315a [1][6] HGB)

Regarding the appointment and dismissal of the members of the Management Board, reference is made to the applicable statutory requirements of § 84 German Stock Corporation Act (AktG). Moreover, Section 7[1] of PUMA SE's Articles of Association stipulates that Management Board shall consist of two members in the minimum; the Supervisory Board determines the number of members in the Management Board. The Supervisory Board may appoint deputy members of the Management Board and appoint a member of the Management Board as chairperson of the Management Board. Members of the Management Board may be dismissed only for good cause, within the meaning of Section 84[3] of the AktG or if the employment agreement is terminated, for which in each case a resolution must be adopted by the Supervisory Board with a simple majority of the votes cast.

Amendments to the Articles of Association of the Company require a resolution by the Annual General Meeting. Resolutions of the Annual General Meeting require a majority according to Art. 59 SE Regulation and Sections 133[1], 179 [2] [1] AktG (i.e. a simple majority of votes and a majority of at least three quarters of the share capital represented at the time the resolution is adopted). The Company has not made use of Section 51 SEAG.

Authority of the Management Board to issue or repurchase shares (Sections 289a [1][7], 315a [1][7] HGB)

The authority of the Management Board to issue shares result from Section 4 of the Articles of Association and from the statutory provisions:

Authorized Capital

By resolution of the Annual General Meeting on May 5, 2021, the Management Board is authorized, with approval of the Supervisory Board, to increase the share capital of the Company by up to EUR 30,000,000.00 by issuing, once or several times, new no par-value bearer shares against contributions in cash and/or kind until 4 May 2026 (Authorized Capital 2021). In case of capital increases against contributions in cash, the new shares may be acquired by one or several banks, designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription (indirect pre-emption right).

The shareholders shall generally be entitled to pre-emption rights. However, the Management Board shall be authorized with approval of the Supervisory Board, to partially or completely exclude pre-emption rights



- to avoid peak amounts;
- in case of capital increases against contributions in cash if the pro-rated amount of the share capital attributable to the new shares for which pre-emption rights have been excluded does not exceed 10% of the share capital and the issue price of the newly created shares is not significantly lower than the relevant exchange price for already listed shares of the same class, Section 186 (3) sentence 4 of the German Stock Corporation Act (Aktiengesetz, AktG). The 10% limit of the share capital shall apply at the time of the resolution on this authorization by the Annual General Meeting as well as at the time of exercise of the authorization. Shares of the Company (i) which are issued or sold during the term of the Authorized Capital 2021 excluding shareholders' pre-emption rights directly or respectively applying Section 186 (3) sentence 4 AktG or (ii) which are or can be issued to service option and convertible bonds applying Section 186 (3) sentence 4 AktG while excluding shareholders' pre-emption rights during the term of the Authorized Capital 2021, shall be counted towards said limit of 10%;
- in case of capital increases against contributions in cash insofar as it is required to grant pre-emption rights regarding the Company's shares to holders of option or convertible bonds which have been or will be issued by the Company or its direct or indirect subsidiaries to such an extent to which they would be entitled after exercising option or conversion rights or fulfilling the conversion obligation as a shareholder;
- in case of capital increases against contributions in kind for carrying out mergers or for the direct or indirect acquisition of companies, participation in companies or parts of companies or other assets including intellectual property rights and receivables against the Company or any companies controlled by it in the sense of Section 17 AktG.

The total amount of shares issued or to be issued based upon this authorization while excluding shareholders' pre-emption rights may neither exceed 10% of the share capital at the time of the authorization becoming effective nor at the time of exercising the authorization; this limit must include all shares which have been disposed of or issued or are to be issued during the term of this authorization based on other authorizations while excluding pre-emption rights or which are to be issued because of an issue of option or convertible bonds during the term of this authorization while excluding pre-emption rights. The Management Board shall be entitled, with approval of the Supervisory Board, to determine the remaining terms of the rights associated with the new shares as well as the conditions of the issuance of shares. The Supervisory Board is entitled to adjust the respective version of the Company's Articles of Association with regard to the respective use of the Authorized Capital 2021 and after the expiration of the authorization period.

The Management Board of PUMA SE did not make use of the existing Authorized Capital in the current reporting period.

Conditional Capital

The Annual General Meeting of May 11, 2022 has authorized the Management Board until May 10, 2027 with the approval of the Supervisory Board to issue once or several times, in whole or in part, and at the same time in different tranches bearer and/or registered convertible bonds and/or options and profit-participation rights and/or profit bonds or combinations thereof with or without maturity restrictions in the total nominal amount of up to € 1,500,000,000.00.

The share capital is conditionally increased by up to € 15,082,464.00 by issue of up to 15,082,464 new no-par value bearer shares (Conditional Capital 2022). The conditional capital increase shall only be implemented to the extent that conversion/option rights are exercised, or the conversion/option obligations are performed or tenders are carried out and to the extent that other forms of performance are not applied.

No use has been made of this authorization to date.



Authorization to acquire treasury shares

The Annual General Meeting of May 7, 2020 resolved under agenda item 6 to authorize PUMA SE to acquire and utilize treasury shares until May 6, 2025, including the authorization to sell treasury shares while excluding shareholders' pre-emption rights and the authorization to offer and transfer treasury shares to third parties against non-cash consideration. The authorization from 2020 was extended by resolution of the Annual General Meeting on May 5, 2021 to the effect that the Supervisory Board was authorized to issue treasury shares to members of the Management Board as a component of Management Board remuneration, while excluding shareholders' pre-emption rights. In addition, the authorization from 2020 was extended by resolution of the Annual General Meeting on May 11, 2022 to the effect that the Management Board was authorized to issue shares acquired, excluding shareholders' subscription rights, in connection with share-based payment or employee share programs of the Company or its affiliated companies to persons who are or were employed by the Company or one of its affiliated companies or are a member of the management of a company affiliated with the Company. In all other aspects, the authorization from 2020 remained unchanged.

No use has been made of the authorization to acquire treasury shares in the reporting period.

Significant agreements of the Company which are subject to a change of control as a result of a takeover bid and the resulting effects (Section 289a [1][8], 315a [1][8] HGB)

Material financing agreements of PUMA SE with its creditors contain the standard change-of-control clauses. In the case of change of control the creditor is entitled to termination and early calling-in of any outstanding amounts.

For more details, please refer to the relevant disclosures in chapter 17 of the Notes to the Consolidated Financial Statements.



CORPORATE GOVERNANCE STATEMENT IN ACCORDANCE WITH SECTION 289F AND SECTION 315D HGB

Effective implementation of the principles of corporate governance is an important aspect of PUMA's corporate policy. Transparent and responsible corporate governance is a key prerequisite for achieving corporate targets and for increasing the Company's value in a sustainable manner. The Management and the Supervisory Board work closely with each other in the interests of the entire Company to ensure that the Company is managed and monitored in an efficient way that will ensure sustainable added value through good corporate governance. In the following the Management Board and the Supervisory Board report on the corporate governance at PUMA SE in accordance with Principle 23 of the German Corporate Governance Code (DCGK). This section also includes the Statement of Compliance in accordance with Art. 9(1)c(iii) of the SE Regulation (SE-VO) in conjunction with Section 289f and Section 315d German Commercial Code (HGB). Pursuant to Section 317(2) Sentence 6 of the HGB, the purpose of the audit of the statements pursuant to Section 289f (2) and (5) and Section 315d of the HGB is limited to determining whether such statements have actually been provided.

PUMA SE has the legal form of a European company (Societas Europaea, or SE). Being a SE headquartered in Germany, PUMA SE is subject to European and German law for SEs while remaining subject to German stock corporation law. As a company listed in Germany, PUMA SE adheres to the German Corporate Governance Code.

PUMA SE has a dual management system featuring strict personal and functional separation between the Management Board and the Supervisory Board (two-tier board). Accordingly, the Management Board manages the company while the Supervisory Board monitors and advises the Management Board.

STATEMENT OF COMPLIANCE OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF PUMA SE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ) FOR 2022

As of December 31, 2022, the balance sheet date of the Annual Report 2022, the following Statement of Compliance 2022 was in effect.

The Management Board and the Supervisory Board of PUMA SE declare that - since the last Statement of Compliance from November 9, 2021, updated on April 7, 2022 - PUMA SE has complied with the recommendations of the "Government Commission on the German Corporate Governance Code" in the versions dated December 16, 2019 (effective as of March 20, 2020, "Code 2020"), and April 28, 2022 (effective June 27, 2022, "Code 2022") and will continue to comply with the Code 2022, in each case with the following exception and to the extent required by the Code 2020 and Code 2022.

According to recommendation C.5 of the Code 2020 and the Code 2022, a member of the management board of a listed company shall not hold more than two supervisory board mandates in non-group listed companies or comparable functions in total. Mr Björn Gulden, member of the Management Board and CEO of PUMA SE, holds mandates at Tchibo GmbH, Hamburg, and Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, which fall under this recommendation. In 2022 he also became member of the Board of Directors of Essity Aktiebolag (publ), a listed public limited company incorporated under the laws of the Kingdom of Sweden. Therefore, PUMA declares an exception to recommendation C.5. The Supervisory Board of PUMA SE has made sure that Mr Gulden will continue to have sufficient time to perform his duties at PUMA SE in a diligent manner.



Herzogenaurach, November 9, 2022

PUMA SE

For the Management Board

For the Supervisory Board

Arne Freundt

Hubert Hinterseher

Héloïse Temple-Boyer

UPDATE OF THE STATEMENT OF COMPLIANCE OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF PUMA SE WITH THE GERMAN CORPORATE GOVERNANCE CODE IN ACCORDANCE WITH SECTION 161 OF THE GERMAN STOCK CORPORATION ACT (AKTIENGESETZ)

The Statement of Compliance was updated as follows as of January 1, 2023.

On November 9, 2022, the Management Board and Supervisory Board of PUMA SE last issued a Statement of Compliance with the recommendations of the German Corporate Governance Code in the versions dated December 16, 2019 (effective as of March 20, 2020, "Code 2020", and April 28, 2022 (effective June 27, 2022, "Code 2022"). This statement is updated and supplemented as follows:

According to recommendation C.5 of the Code 2020 and the Code 2022, a member of the management board of a listed company shall not hold more than two supervisory board mandates in non-group listed companies or comparable functions in total. Mr Bjørn Gulden, former member of the Management Board of PUMA SE, resigned on November 16, 2022 from the Supervisory Board of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, Dortmund, with effect from December 31, 2022. Mr. Gulden thus holds a total of two supervisory board mandates in non-group listed companies or comparable functions.

The declaration of a deviation from recommendation C.5 was not required since then and will not be required in the future.

In all other respects, the Statement of Compliance of November 9, 2022 continues to apply without restriction.

Herzogenaurach, January 1, 2023

PUMA SE

For the Management Board

For the Supervisory Board

Arne Freundt

Hubert Hinterseher

Héloïse Temple-Boyer

The Statement of Compliance as well as its update can be downloaded on the Company's homepage (<http://about.PUMA.com> under "INVESTOR RELATIONS / CORPORATE GOVERNANCE"). The Statements of Compliance of the past five years are also accessible on this website.



RELEVANT DISCLOSURES OF CORPORATE GOVERNANCE PRACTICES THAT ARE APPLIED BEYOND THE REGULATORY REQUIREMENTS

CORPORATE SOCIAL RESPONSIBILITY

In order to fulfill our ecological and social responsibility as a global sporting goods manufacturer, PUMA has developed groupwide guidelines on environmental management and on compliance with workplace and social standards as well as human rights. PUMA is convinced that only on such a foundation can a lasting and sustainable corporate success be achieved. That is why PUMA is committed to the principles of the UN Global Compact. The PUMA Code of Ethics and the PUMA Code of Conduct prescribe ethical and environmental standards with which both employees and suppliers are required to comply. Detailed information on the Company's sustainability strategy can be found in the "Sustainability" section of the Annual Report or on the Company's homepage (<http://about.PUMA.com> under "FOREVER BETTER").

COMPLIANCE MANAGEMENT SYSTEM

At PUMA, we act in accordance with the law and self-imposed standards of conduct in all business activities. PUMA has established a Compliance Management System (CMS) to systematically prevent, detect at an early stage and sanction violations of rules in the areas of corruption, money laundering, conflicts of interest, antitrust law, fraud/unfidelity. Violations of the law or internal policies will not be tolerated.

We behave in a law-abiding, fair, respectful and ethical manner towards our employees, our customers and our business partners. Not just because we have to, but because we want to, and this is deeply rooted in PUMA's culture. The CMS is managed by the Group Compliance function together with our Local Compliance Officers in all subsidiaries worldwide to ensure that all PUMA employees comply with PUMA's values.

PUMA CODE OF ETHICS

Our PUMA Code of Ethics is an important building block of the CMS and a core element of the PUMA culture. It defines the guidelines and values that shape PUMA's identity and is binding for employees in all PUMA subsidiaries worldwide. PUMA expects all employees to be familiar with these values and to act accordingly. Among other things, the Code of Ethics contains rules for dealing with conflicts of interest and personal data and prohibits insider trading, anti-competitive behavior and corruption in any form. In order to familiarize employees with the rules of the Code of Ethics and establish uniform behavioral guidelines, the Code of Ethics is supported by specific groupwide policies.

RISK ASSESSMENT

Group Compliance regularly carries out risk analyses to assess the most important compliance risks worldwide and to identify and mitigate potential new risks. The risk assessment is generally based on a questionnaire and on personal, in-depth interviews. The risk assessment allows a statement to be made about net compliance risks because it also takes into account existing risk mitigation measures.

TRAININGS AND COMMUNICATION

Through ongoing mandatory e-learning, all employees are familiarized with the regulatory areas of the Code of Ethics. In 2022, the focus of the e-learning on the Code of Ethics was on competition law. All PUMA employees were requested by the CEO of PUMA SE to complete the e-learning. The clear "tone from the top" resulted in 98.7% of PUMA employees across the Group (98.3% PUMA SE) successfully completing the e-learning.

In addition, we conduct face-to-face and virtual training for our headquarters and our subsidiaries. The trainings are tailored to the respective target group and their business requirements. Moreover, there is a Compliance onboarding training that new employees must familiarize themselves with when they start at PUMA.



We regularly develop awareness measures in various formats to inform our employees about the content and controls set out in the internal policies and guidelines. These awareness measures are translated into 11 languages and distributed throughout our organization worldwide. In 2022, we developed awareness measures on the Signature Policy and the Competition Law Policy, and specifically on the compliance responsibilities of managers with teams.

REQUIREMENTS ON BUSINESS PARTNERS

To ensure that we achieve our goal of being successful, we require our business partners to comply with applicable laws and regulations, particularly those related to anti-corruption, human rights protection, and environmental protection. We also require our business partners to adhere to the values we have set out in our Code of Ethics and Code of Conduct for suppliers (available at <https://about.puma.com/en/sustainability/codes-policies-and-handbooks>).

Following the introduction of the Business Partner Due Diligence Policy in 2021, our business partners are screened for potential risks and classified into low, medium and high-risk categories. 434 business partners were risk assessed using a due diligence process tool developed internally by us. 15% of these business partners were classified as high risk and therefore had to undergo special onboarding and meet certain requirements in order to work with PUMA. In 2022, no business partners were rejected that had undergone compliance due diligence.

COMPLIANCE ORGANIZATION

The Management Board is responsible for implementing an appropriate and effective CMS. It is supported by a compliance organization consisting of the Chief Compliance Officer and the Local Compliance Officers in the main operating companies of the PUMA Group. The Chief Compliance Officer of PUMA SE reports directly to the CEO of PUMA SE. The Local Compliance Officers are also the direct contact for the employees and support them through appropriate communication measures and the handling of compliance incidents. To facilitate cooperation within the global compliance organization, regular virtual meetings are held with the Local Compliance Officers. These meetings provide an opportunity to share experiences and knowledge and to set out future requirements and expectations.

This informal exchange of information is supplemented by a compliance reporting process. This process includes, among other things:

- Reporting by the Chief Compliance Officer to the Audit Committee of the Supervisory Board of PUMA SE and to the Management Board on the current status of the implementation of the compliance structures and serious compliance violations.
- Reporting by the Local Compliance Officers to the Chief Compliance Officer on the status of the implementation of the Compliance Management System in their local entity.

WHISTLEBLOWING PLATFORM

PUMA has a Group-wide electronic whistleblower platform, operated by an external provider, to which employees and third parties can report illegal or unethical behavior. Violations from all risk areas can be reported. Reports of violations that do not fall within the core compliance risk areas are forwarded to the relevant departments, which are then responsible for investigating and implementing appropriate measures in the respective cases.

Each year, Local Compliance Officers explicitly draw attention to the whistleblower platform through appropriate communication measures or in personal training sessions. Whistleblowers who report misconduct in good faith are protected from retaliation. All reports are investigated immediately, and appropriate action is taken upon confirmation. In 2022, 94 reports of alleged violations were received. Most of the cases did not fall within the Compliance department's area of responsibility. 4 compliance cases in 2022 were minor fraud cases, investigations were closed, and 2 allegations were confirmed. In addition to the whistleblower platform, there is a global hotline available for whistleblowers from the factories PUMA works with.



DESCRIPTION OF THE WORKING PRACTICES OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

PUMA SE has three bodies – the Management Board, the Supervisory Board and the Annual General Meeting.

MANAGEMENT BOARD

The Management Board of PUMA SE manages the Company on its own responsibility with the goal of sustainable value creation. It develops PUMA's strategic orientation and coordinates it with the Supervisory Board.

In addition, it ensures group-wide compliance with legal requirements and an effective risk management and internal control system.

The main features of our internal control system and risk management system for which the Management Board is responsible, can be found in the section "Risk and Opportunity Report".

We provide information on the tasks of the Management Board with regard to sustainability-related risks and opportunities as well as corresponding impacts of the company's activities in the chapter "Risk and Opportunity Report" and in detail in the chapter "Sustainability" in our sustainability report (Non-financial Report). The sustainability report for the financial year 2022 can be accessed at the following location on our website from April 30, 2023 at the latest: <https://about.puma.com/en/investor-relations/financial-reports>. In addition, important sustainability information can be accessed at any time on the PUMA homepage in the FOREVER BETTER section: <https://about.puma.com/en/forever-better>. There, as well as in our Compensation Report at <https://about.puma.com/en/investor-relations/corporate-governance>, more detailed information on sustainability-related objectives of the corporate strategy and corporate planning is also available.

The members of the Management Board are appointed by the Supervisory Board. The Supervisory Board has set a general age limit of 70 years for the members Management Board. The Management Board currently consists of four members and has a CEO. Further information on the mandates of the members of the Management Board can be found in the Notes to the Consolidated Financial Statements (last chapter). As of January 1, 2023, no member of the Management Board has mandates in non-group listed companies or comparable functions.

The members of the Management Board are obliged to disclose conflicts of interest to the Chair of the Supervisory Board and to the CEO without undue delay and to inform the other members of the Management Board accordingly. They may only assume sideline activities, in particular supervisory board and comparable mandates outside the PUMA Group, with the prior consent of the Supervisory Board. In the past fiscal year, the members of the Management Board of PUMA SE did not report any conflicts of interest.

The principles of cooperation of the Management Board of PUMA SE as well as the areas of responsibility (resorts) of the individual members of the Management Board are set out in the Rules of Procedure for the Management Board, which can be viewed at <http://about.PUMA.com> under "INVESTOR RELATIONS / CORPORATE GOVERNANCE".

SUPERVISORY BOARD

The German Codetermination Act does not apply to PUMA SE as a European company. Rather, the size and composition of the Supervisory Board are determined by the Articles of Association of PUMA SE and the Agreement on the Involvement of Employees in PUMA SE dated July 11, 2011 and its amendment dated February 7, 2018. The Supervisory Board of PUMA SE consists of six members, four of whom are shareholder representatives and two of whom are employee representatives. Shareholder representatives are being elected individually. CVs of the individual Supervisory Board members are available on the Internet and are updated annually. The term of office of the current Supervisory Board members ends at



the end of the Annual General Meeting which resolves on the discharge of the members of the Supervisory Board for the financial year 2022. Further information on the members of the Supervisory Board, their mandates and the term of their membership can be found in the Notes to the Consolidated Financial Statements (last chapter). Supervisory Board members who are not a member of any Management Board of a listed company have not accepted more than five Supervisory Board mandates at non-group listed companies or comparable functions.

The Supervisory Board appoints the members of the Management Board and may dismiss them at any time for good cause. Initial appointments are for three years. The Supervisory Board adopts a clear and understandable remuneration system for the Management Board. In case of any significant change, at least every four years, it shall submit the remuneration system to the Annual General Meeting for approval. The Annual General Meeting on May 5, 2021 approved a further developed Management Board remuneration system submitted by the Supervisory Board, which complies with the requirements of the Act Implementing the Second Shareholders' Directive (ARUG II), follows the recommendations of the Code 2020 as well as the Code 2022 and is even more strongly aligned with shareholder interests. Further information on the remuneration of the Management Board is summarized in the Compensation Report drawn up jointly by the Management Board and the Supervisory Board (see <https://about.puma.com/en/investor-relations/corporate-governance>).

The Supervisory Board supervises and advises the Management Board on the implementation of the strategy. Supervision and advice also include, in particular, sustainability issues, which are covered as a cross-sectional task in the Audit Committee and the Sustainability Committee. The Management Board informs the Supervisory Board regularly, promptly and comprehensively about all issues of relevance to the Company relating to strategy, planning, business development, the risk situation, risk management and compliance management system. It deals with deviations in the course of business from the established plans and targets, stating the reasons. The Supervisory Board is involved by the Management Board in decisions of paramount importance for the Company and the Supervisory Board needs to approve those decisions.

Together with the Management Board, the Supervisory Board ensures succession planning for future Management Board positions and key functions in the PUMA Group. On the basis of group-wide talent conferences, the Management Board develops recommendations for potential internal successor appointments, which it discusses regularly with the Supervisory Board. In making its recommendations, the Management Board takes into account the Diversity Concept adopted by the Supervisory Board for the composition of the Management Board (see below).

Between the meetings, the Chair of the Supervisory Board is in regular contact with the CEO in order to discuss issues of strategy, business development, the risk situation, risk management and compliance of PUMA. Prior to Supervisory Board meetings, the CEO or the CFO speak separately to the employee representatives and the shareholder representatives, if need be. At the end of the regular meetings, the Supervisory Board always has the opportunity to discuss issues in the absence of the Management Board. It also makes regular use of this opportunity. The members of the Supervisory Board also participate in the meetings by telephone or video conference.

The Supervisory Board regularly reviews the efficiency of its activities. The last efficiency review was initiated at the end of 2021. With the support of external experts, a comprehensive questionnaire has been prepared, which was answered by each of the Supervisory Board members. In early 2022, the results were evaluated, discussed by the Supervisory Board and any improvement measures were defined.

No Supervisory Board member is a member of a governing body of, or exercises advisory functions at, significant competitors of the Company; no Supervisory Board member holds any personal relationships with a significant competitor of the Company.

The Company supports the Supervisory Board in its training activities, for example by having the Legal Department regularly review changes in the legal framework for the Supervisory Board and address them



in the meetings. In an onboarding program, new members of the Supervisory Board not only receive training from the legal department on their rights and duties, but also have the opportunity in particular to meet the members of the Management Board and other executives for a bilateral exchange on current management issues and thus gain an overview of relevant topics of the Company. In 2022, the Supervisory Board was trained on the topics of rights and obligations of Supervisory Board members, financial KPIs, and regulatory requirements for the Supervisory Board in the area of ESG.

The principles of cooperation of the Supervisory Board of PUMA SE are set out in the Rules of Procedure for the Supervisory Board, which can be viewed at <http://about.PUMA.com> under “INVESTOR RELATIONS / CORPORATE GOVERNANCE”.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders of PUMA SE exercise their rights, in particular their information and voting rights, at the Annual General Meeting. Each share has one vote. PUMA SE has not issued any preferred shares or shares with multiple voting rights. Our shareholders can exercise their voting rights themselves or through a proxy appointed by the Company and bound by instructions. All documents and information on the Annual General Meeting are available on the website of PUMA SE. The Annual General Meeting in 2022 was again held in virtual format due to the COVID-19 pandemic. Therefore, a physical presence of the shareholders or their proxies was excluded. However, shareholders had the possibility to join the live broadcast of the entire virtual Annual General Meeting in sound and vision via the PUMA InvestorPortal. Questions could be submitted there in advance and were then answered at the Annual General Meeting. Objections to resolutions of the virtual Annual General Meeting could also be declared via the PUMA InvestorPortal. Shareholders exercised their voting rights by (electronic) absentee voting, by e-mail, by letter or by proxy.

As part of our comprehensive investor relations and public relations work, we are in close contact with our shareholders. We inform shareholders, financial analysts, shareholders' associations, the media and the interested public comprehensively and regularly about the situation of the Company and inform them without undue delay about significant business changes. The Chair of the Supervisory Board is also prepared to discuss Supervisory Board-specific issues with investors within an appropriate framework.

In addition to other communication channels, we make intensive use of the Company's website for our investor relations work. At <http://about.PUMA.com/en/investor-relations>, all material information published in the 2022 financial year, including annual, quarterly and half-yearly financial reports, press releases, voting rights announcements by major shareholders, presentations and the financial calendar, can be accessed.

DESCRIPTION OF THE WORKING PRACTICES AND THE COMPOSITION OF THE COMMITTEES OF THE SUPERVISORY BOARD

The Supervisory Board meets at least every three months. Meetings must also be held if the best interests of the Company so require or if a member of the Supervisory Board requests that the meeting be convened. The Supervisory Board has established four committees to perform its duties and receives regular reports on their work. The principles of cooperation of the Supervisory Board of PUMA SE and the duties of the committees are set out in the Rules of Procedure for the Supervisory Board, which can be viewed at <http://about.PUMA.com> under “INVESTOR RELATIONS / CORPORATE GOVERNANCE”.

The Personnel Committee consists of three members. The Personnel Committee is responsible for entering into and making changes to the Management Board members' employment contracts and for establishing policies for Human Resources and personnel development. The entire Supervisory Board decides on issues involving the Management Board members' compensation based on recommendations from the Personnel Committee. The members of the Personnel Committee are Héloïse Temple-Boyer (Chair), Fiona May and Martin Koepfel.



The Audit Committee consists of three members. The Chair of the Audit Committee and one other member of the Audit Committee have expertise in the fields of accounting and auditing in accordance with Section 100(5) AktG. In particular, the Audit Committee is responsible for the review of the accounting comprising particularly of the consolidated financial statements and the group management report (including CSR reporting), interim financial information and the single entity financial statements in accordance with the German Commercial Code (HGB). It is furthermore responsible for monitoring the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, compliance and the statutory audit of the financial statements, with particular regard to the selection and the required independence of the statutory auditors, issuing the audit mandate to the statutory auditors, defining the audit areas of focus, the quality of the audit, any additional services to be performed by the auditors and the fee agreement. The recommendation of the Supervisory Board on the selection of the statutory auditors must be based on a corresponding recommendation by the Audit Committee. Once the Annual General Meeting has appointed the statutory auditors, and the Supervisory Board has issued the audit assignment, the Audit Committee shall work with the statutory auditors to specify the scope of the audit and the audit areas of focus. The Audit Committee discusses with the statutory auditors the audit risk assessment, the audit strategy and audit planning, and the audit results. The Chair of the Audit Committee regularly discusses the progress of the audit with the statutory auditors and report thereon to the Committee. The Audit Committee consults with the statutory auditors on a regular basis without the Management Board. The statutory auditors shall attend the meeting to review the annual financial statements, the consolidated financial statements as well as the combined management report and shall report on the key findings of their audit. They shall also inform the Committee about other services they have provided in addition to auditing services and shall confirm their independence. Each month, the Audit Committee shall receive financial data on the PUMA Group, which will allow the tracking of developments in net assets, financial position, results of operations and the order books on a continual basis. The Audit Committee shall also deal with issues relating to the balance sheet and income statement and shall discuss these with the Management Board. In addition, when the internal audit projects are completed, the Audit Committee shall receive the audit reports, which must also include any actions taken. Sustainability issues are also of central importance. As a cross-sectional task, they affect the areas of responsibility of various committees. The Audit Committee deals with sustainability aspects in detail as part of its reporting and reports on them to the entire Supervisory Board. The members of the Audit Committee are Thore Ohlsson (Chair, expertise in the field of accounting/auditing), Héloïse Temple-Boyer (expertise in the field of accounting/auditing) and Bernd Illig.

The Sustainability Committee consists of three members. It meets once a year. In its area of responsibility, the Sustainability Committee advises and monitors operational sustainability issues as well as the sustainability strategy of the Management Board. The members of the Sustainability Committee are Fiona May (Chair), Héloïse Temple-Boyer and Martin Köppel.

The Nominating Committee has three members, who are representatives of the shareholders on the Supervisory Board. The Nominating Committee proposes suitable shareholder candidates to the Supervisory Board for its voting recommendations to the Annual General Meeting. The members of the Nominating Committee are Héloïse Temple-Boyer (Chair), Jean-François Palus and Fiona May.

The current composition of the committees can further be found in the Notes to the Consolidated Financial Statements (last chapter).



DIVERSITY CONCEPT FOR THE SUPERVISORY BOARD

A) OBJECTIVES FOR THE COMPOSITION OF THE SUPERVISORY BOARD

The Supervisory Board of PUMA SE is composed in such a way that its members as a group possess the appropriate knowledge, skills and professional experience necessary for the proper performance of their duties. The composition of the Supervisory Board is primarily determined by appropriate qualification, taking into account diversity and the appropriate involvement of women. Based on Section C.1 of the Code 2020 and C.1 of the Code 2022, the Supervisory Board has set targets for its composition that have been fulfilled. In detail:

- The members of the Supervisory Board as a group have the experience and knowledge in the field of management and/or monitoring market-oriented companies as well as in the business segments and sales markets of PUMA. Details of this are presented under lit. B) of this chapter.
- A sufficient number of members have strong international backgrounds. This target has been clearly surpassed simply because of the international origins of Héloïse Temple-Boyer, Jean-François Palus, Thore Ohlsson and Fiona May.
- The Supervisory Board has an appropriate number of independent members. With Héloïse Temple-Boyer, Thore Ohlsson Jean-François Palus and Fiona May four out of six members of the Supervisory Board are considered independent.

Neither the Code 2020 nor the Code 2022 contain a conclusive definition of independence regarding the shareholder representatives in the supervisory board, but rather list examples of circumstances that may indicate a lack of independence. It is the task of the supervisory board to assess the independence of the members of the supervisory board on the basis of these indications and evaluate whether a member has a personal or business relationship with the Company or its management board that may cause a substantial – and not merely temporary – conflict of interest. Against this backdrop, PUMA's Supervisory Board believes that there are currently no specific indications of relevant circumstances or relationships for any member of the Supervisory Board that could constitute a material and not merely temporary conflict of interest and that would therefore interfere with their independence.

With regard to Supervisory Board members Héloïse Temple-Boyer and Jean-François Palus, the Supervisory Board is of the opinion that their functions as Directeur Général Délégué of Artémis S.A.S. do not impair their independence within the meaning of the Code 2020 and the Code 2022. Artémis S.A.S. is not a controlling shareholder, as Artémis S.A.S. is neither a majority shareholder nor does it have a de facto majority at the Annual General Meeting.

With regard to the members of the Supervisory Board Mr. Thore Ohlsson and Mr. Jean-François Palus, the Supervisory Board believes that the length of their tenure as members of the Supervisory Board, which each exceeds 12 years, does not interfere with their independence within the meaning of the Code 2020 and the Code 2022 as it does not give rise to a material conflict of interest. This is due to the fact that Mr. Ohlsson and Mr. Palus currently hold positions in the management and supervisory boards of several other companies. They both have demonstrated a high level of professionalism during their long experience in the management of various companies and the Supervisory Board believes that both would avoid any circumstances that may give rise to conflict of interest. There are no other indications of a conflict of interest in Mr. Ohlsson's and Mr. Palus' person.

Héloïse Temple-Boyer as the Chair of the Supervisory Board, Thore Ohlsson as the Chair of the Audit Committee and Héloïse Temple-Boyer as the Chair of the Personnel Committee are all considered independent from the Management Board, the Company and a controlling shareholder. No former member of the Management Board is member of the Supervisory Board.



- Due to his many years of experience in management and supervisory board functions at various stock corporations, particularly in the area of finance, Thore Ohlsson, the Chair of the Audit Committee, has special knowledge and experience in the application of accounting principles, internal control and risk management systems as well as in the auditing of financial statements. Héloïse Temple-Boyer and Jean-François Palus also bring this special knowledge with them. Héloïse Temple-Boyer acquired this knowledge during her many years of work in the financial sector (for example, for Rothschild Cie. Banque SCS, Groupe Casino S.A., Artémis S.A.S.) as well as her ongoing activity as Deputy CEO of Artémis S.A.S. Jean-François Palus gained the relevant expertise in the fields of accounting and auditing during his activities as CFO and Group Financial Control Director in the Kering Group, among others. The knowledge described also includes sustainability reporting (Non-financial Report) and its audit and assurance.
- The members have sufficient time to perform his/her mandate in the Supervisory Board. Prior to each election proposal, the Supervisory Board examines whether the candidates concerned are able to complete the time required for the office.
- The Supervisory Board prevents potential significant and not only temporary conflicts of interest of its members by regularly monitoring and critically scrutinizing its members' other activities. There were no indications of actual conflicts of interest in the 2022 financial year. If a conflict of interest would occur each member of the Supervisory Board informs the Chair of the Supervisory Board without undue delay.
- According to Section 1(4) of the Rules of Procedure for the Supervisory Board, Supervisory Board members may, in principle, not be over 70 years of age and their maximum term of office may not exceed three terms. In setting this age limit, the Supervisory Board deliberately decided against a rigid maximum age limit and in favor of a flexible rule limit that provides the necessary leeway for an appropriate assessment of the circumstances of the individual case, sufficiently broadly defines the circle of potential candidates and also allows re-election. Thore Ohlsson has reached the statutory age limit. After careful consideration, he was nevertheless proposed by the Supervisory Board for re-election in 2018 in order to ensure the necessary continuity after the spin-off from Kering S.A. in the best interests of the Company. All other Supervisory Board members did not reach the standard age limit at the time of their election.

The current composition of the Supervisory Board implements the diversity concept.



B) PROFILE OF SKILLS AND EXPERTISE

The Supervisory Board has determined a competence profile for the entire Board. The implementation status is indicated in the following qualification matrix:

➔ G.18 PROFILE OF SKILLS AND EXPERTISE

						
	FRA	SWE	GER	FRA	ITA, GBR	GER
	Héloïse Temple-Boyer	Thore Ohlsson	Martin Köppel	Jean-François Palus	Fiona May	Bernd Illig
Managing of large or mid-sized international companies	●	●		●		
Leadership experience in the sporting or luxury goods industry	●	●		●	●	
International corporate background	●	●		●	●	
Leadership experience with various distribution channels, including e-commerce	●	●		●		
Expertise in building strong international brands	●	●		●	●	
Marketing, sales and digital know-how	●	●		●		
Financial expertise (accounting, auditing, treasury, risk management, corporate governance)	●	●		●		
Expertise in serving on the Administrative or Supervisory boards of publicly listed companies	●	●		●		
Experience with mergers & acquisitions	●	●		●		
Understanding of the industrial constitution law and advocating the interests of the employees		●	●		●	●
HR expertise			●	●		●
IT expertise			●			●
Expertise regarding sustainability issues	●		●		●	

The Supervisory Board of PUMA SE is currently composed in such a way that it has the competence profile as an overall body.

C) COMMITMENTS TO PROMOTE THE PARTICIPATION OF WOMEN IN MANAGEMENT POSITIONS IN ACCORDANCE WITH ART. 9(1)C(II) OF THE SE REGULATION (SE-VO) IN CONNECTION WITH SECTION 76(4), SECTION 111(5) AKTG

The Supervisory Board shall define a target figure for the proportion of women on the Supervisory Board and the Management Board. The Management Board, for its part, shall set target figures for the proportion of women in the two management levels below the Management Board.

Target figures 2021

The Supervisory Board of PUMA SE has set a target figure of at least 2 women (33%) for the proportion of women on the Supervisory Board to be achieved by October 31, 2026.

For the Management Board, the Supervisory Board has set a target for the proportion of women

- of at least 1 woman (25%), provided that PUMA SE has four Management Board members;
- of at least 1 woman (20%), provided that PUMA SE has five Management Board members;
- of at least 2 women (33%), provided that PUMA SE has six Management Board members.



The implementation period for this target is October 31, 2026.

For PUMA SE, the Management Board has set a target of 30% for the first management level below the Management Board and 35% for the second management level below the Management Board. At Group level, the proportion of women is to amount to 30% for the first management level below the Management Board and to 40% for the second management level. The implementation deadline here, too, is October 31, 2026.

DIVERSITY CONCEPT FOR THE MANAGEMENT BOARD

The Supervisory Board and the Management Board promote an agile, open corporate culture in which the advantages of diversity are consciously utilized, and everyone can freely unfold their potential for the best of the Company. PUMA strives to fill Management Board positions and senior management positions primarily with people developed within the Company. This has been realized accordingly with the appointment of Arne Freundt as Chief Executive Officer and Maria Valdes as Chief Product Officer.

The Supervisory Board's decision regarding a particular appointment to the Management Board is always taken in consideration of the Company's best interests based on the professional and personal suitability of the candidate. It must be ensured that the members of the Management Board as a whole have the knowledge, skills and experience required for the best possible fulfillment of the tasks of a member of the Management Board of a sporting goods manufacturer such as PUMA. It is not necessary for every member of the Management Board to reflect the technical requirements laid out in the following. The diversity concept for the Management Board therefore stipulates that gender, internationality, age, educational background and experience must be taken into account in its composition:

- Gender

Until October 31, 2026, PUMA aims to have 25% women on the Management Board, provided that the Board has four Management Board members; 20% women on the Management Board, provided that the Board has five Management Board members; and 33% women on the Management Board, provided that the Board has six Management Board members. In order to achieve this goal, the Supervisory Board ensures that an appropriate proportion of female candidates are included on the succession lists within the framework of the internal global management structure for the development of junior staff for the Management Board. In the future, the participation of women in the Management Board is to be guaranteed in the event of a necessary replacement, in particular by giving special consideration to women in various equally qualified candidates. Insofar as external candidates are to be appointed, suitably qualified female candidates shall be considered in particular. The same applies to the filling of management functions. In order to involve women even more in management functions in the future, PUMA promotes the compatibility of family and career, for example through part-time and half-day models as well as flexible working hours and the provision of childcare places. With Anne-Laure Descours a woman is represented on the Management Board. As of the balance sheet date December 31, 2022, the proportion of women on the Management Board was therefore 25%. As of January 1, 2023, the proportion of women on the Management Board will be 50%, because Bjørn Gulden has left, and Maria Valdes has been appointed to the Management Board.

- Internationality

PUMA is a globally operating company. An appropriate number of board members must therefore have international experience either due to their origin or due to their many years of professional experience abroad. Notwithstanding the several years of international experience of all board members, this goal has been exceeded simply because of the international origins of Anne-Laure Descours, Bjørn Gulden (Management Board member until December 31, 2022) and Maria Valdes (Management Board member as of January 1, 2023).



- Age

The Supervisory Board ensures a balanced age structure in the Management Board. This is important to ensure the continuity of the Management Board's work and to facilitate smooth succession planning. In principle, members of the Management Board may not be older than 70 years. All members of the Management Board are below the standard age limit.

- Training and experience background

With regard to the educational and professional background, the selection of Management Board members should be based on the competencies required in the PUMA Management Board in general as well as for the respective Management Board with regard to corporate management, strategy development, finance and accounting, supply chain, sales and People & Organization. The same criteria apply here as were developed for the competence profile of the Supervisory Board. These competencies do not have to be acquired as part of university studies or other educational training, but may also have been acquired in other ways within or outside PUMA. The members of the board have all the above-mentioned competences.

The current composition of the Management Board implements the diversity concept.

L



RISK AND OPPORTUNITY REPORT

PUMA is continuously exposed to opportunities and risks in the competitive, fast-paced and international sport and lifestyle industry. The risk strategy is therefore to take business risks in a calculated manner in order to implement the corporate strategy with all its opportunities. For this purpose, effective risk and opportunity management is required so that opportunities can be recognized and utilized, and risks can be identified and managed at an early stage. We define risks as potential future developments or events that may lead to a negative deviation from targets for the company (see the "Risk Management System" section). Similarly, opportunities are potential future developments or events that may result in a positive deviation from targets.

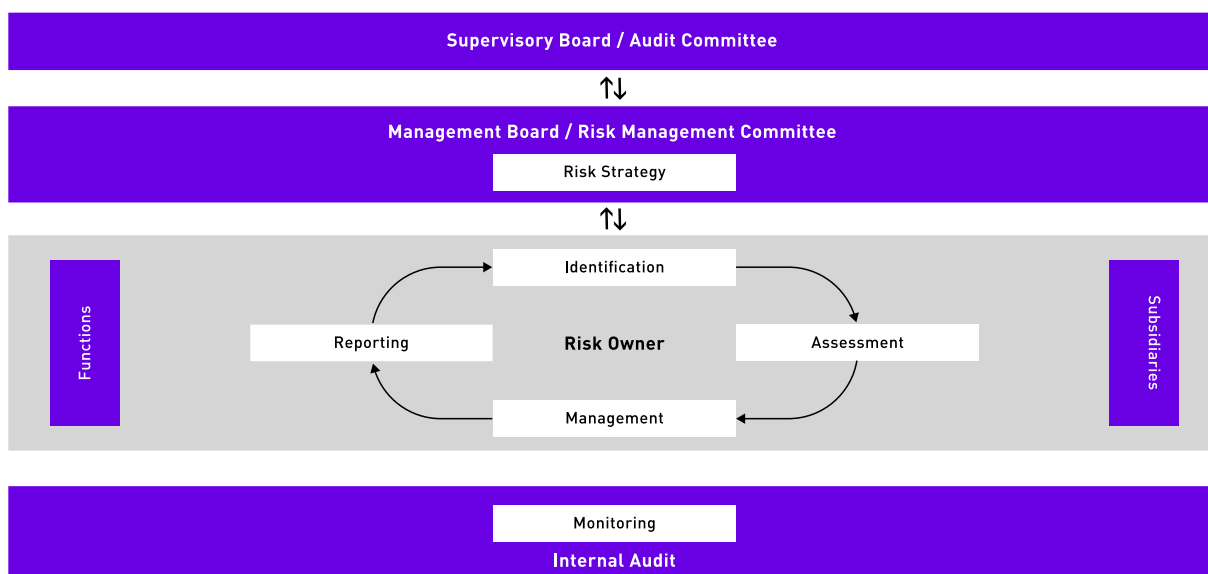
RISK MANAGEMENT SYSTEM

PUMA takes a conscious and controlled approach to risks in order to achieve the company's goals. The aim of the risk management system is to identify and manage at an early stage material risks or risks that could even jeopardize the company's existence and thus support the achievement of the company's objectives. In addition, compliance with the related laws, regulations and standards must be ensured, as well as transparency in relation to the risk situation from the perspective of partners such as customers, suppliers and investors. Therefore, PUMA has established an appropriate and effective risk management organization which is able to identify risks at an early stage and manage them in accordance with the corporate strategy and promote risk awareness within the PUMA Group to facilitate risk-based decisions. As part of the organization, risks are looked at Group-wide, unless explicitly stated to the contrary. As in the previous year, PUMA's risk management system is based on a comprehensive, interactive and management-oriented approach to risk that is integrated into the company's organization and is based on the globally recognized COSO standard (Committee of Sponsoring Organizations of the Treadway Commission). Opportunity management is not part of the risk management system and is the responsibility of operational management teams in the respective regions, markets and departments (see the "Opportunities" section).

The Management Board of PUMA SE bears overall responsibility for the risk management system in accordance with Section 91(3) AktG. The Management Board regularly updates the Audit Committee of the Supervisory Board of PUMA SE. In addition, pursuant to Section 107(4), the Audit Committee has a direct right to information from the operational management departments. The Risk Management Committee, which consists of the PUMA SE Management Board and selected managers, is responsible for the design, review and adaptation of the risk management system. For the operational coordination of the risk management process and support of the risk officers, the risk management function of the Group Internal Audit, Risk Management & Internal Control department has been assigned to prepare the regular risk reporting to the Risk Management Committee. The responsibilities, tasks and processes of the risk management system are defined in guidelines. The structure and design of the risk management system are as follows:



➤ G.19 RISK MANAGEMENT SYSTEM



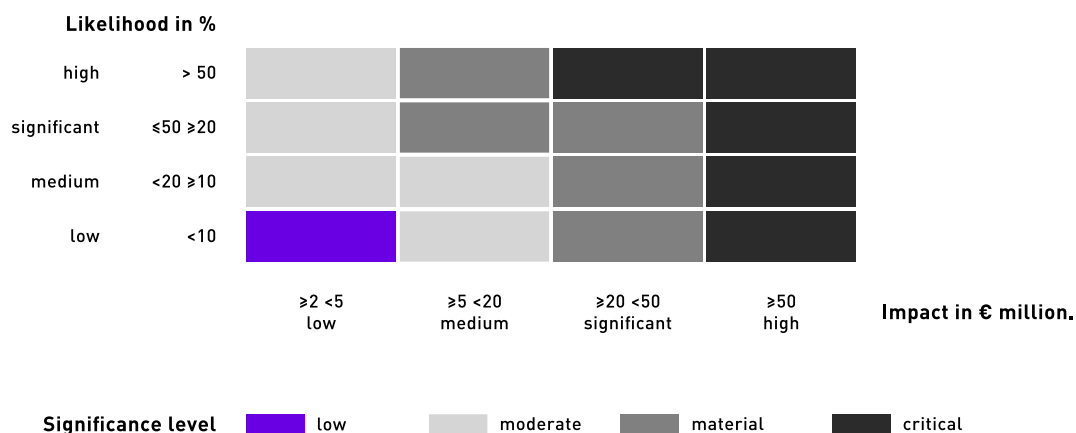
The risk owners are mainly the managers of the functional areas and the managing directors of the subsidiaries. Risks are identified company-wide by performing a bottom-up analysis within the risk owner's area of responsibility. These risks are regularly reported to the risk management function and/or the local monitoring bodies in structured interviews that take place every six months or during the year using established internal reporting channels.

The risks are evaluated and assessed in terms of probability of occurrence and extent of damage using quantitative criteria with the help of a systematic methodology. The quantitative criteria are represented in the form of risk classification ranges on a four-level scale. While the risk assessment of the probability of occurrence is measured as a percentage rate, the extent of damage is based on the planned operating result for the upcoming financial year. We follow a net risk approach, addressing the risks that remain after existing control measures have been implemented. The resulting risk assessments are presented as an aggregated risk group ("overall risk situation"). Thus, for the materiality assessment, the quantified risks are combined from their extent of damage and probability of occurrence and are classified in a comprehensive risk matrix with regard to their significance level (see graphic G.20), for internal monitoring and to assess their viability.

For example, a risk can be allocated within the most critical range, which may also include risks that could even jeopardize the company's existence, in the case that its assessment reflects a combination of highest bandwidth for extent of damage and probability. The overview of the risk groups is presented in table T.7, summarized in the order of their relative importance and their change during the year.



➤ G.20 RISK MATRIX



Regular risk identification and assessment is carried out by the risk management function every six months with all major functional areas. The risks recorded and assessed are also reviewed with a top-down approach by the Risk Management Committee. This ensures that adequate consideration is given to interdependencies and the overall risk situation.

The risk owners are responsible for the operational management of identified risks. Risks can be managed by avoiding, reducing, diversifying or transferring the risk in order to achieve the targeted and acceptable residual risk. Within the reporting process, material risks or those which could even jeopardize the company's existence are coordinated with and managed by the Risk Management Committee or the Management Board, taking into account the risk-bearing capacity, which is also based on the planned operating income.

The methodology and structure of the risk management system are continuously monitored in terms of their appropriateness and effectiveness, and adapted or improved when required. This is carried out on the one hand by the Internal Audit department, as an independent audit body within the PUMA Group, and on the other hand through the utilization of the results of the auditor of PUMA SE, which assesses the early risk identification system annually for its fundamental suitability to be able to identify risks that endanger the company's existence at an early stage.



RISKS

The following explanations of risk groups are presented based on their relative importance for the financial year 2022.

MACROECONOMIC DEVELOPMENTS

As an internationally operating group, PUMA is exposed to global macroeconomic developments and the associated risks having an impact on our sales and sourcing markets. For example, economic developments in key sales markets may affect consumer behavior. This can have positive or negative effects on the planned sales and consolidated net earnings. Likewise, political changes, social developments and environmental events (such as natural disasters) can also be reflected in changes in legal and macroeconomic conditions.

In 2022, macroeconomic development was marked on the one hand by economic uncertainties (e.g. inflation, the energy crisis) and on the other hand by risks due to increased geopolitical tensions. There are a number of uncertain factors regarding Russia's invasion of Ukraine, particularly in relation to its extent and duration. Interruptions to the supply chain and increased raw material prices can have a negative impact on business development as well as planned sales and income.

Overall, we manage these challenges with geographic diversification and the development of alternative scenarios for the possible occurrence of serious events. This applies in particular to political developments and possible changes in legal framework conditions, which are continuously monitored by PUMA and incorporated into appropriate measures.

PANDEMIC (COVID-19)

PUMA first identified the COVID-19 pandemic as a new risk in the financial year 2020 and accordingly established the risk category "pandemic (COVID-19)." This risk was considered to be the most significant business risk for the PUMA Group. The effects of the COVID-19 pandemic continued to be assessed as a significant business risk in the financial year 2022, in particular with regard to the uncertainty about new virus variants, further lockdowns or supply chain disruptions that could restrict business activity. Potential future scenarios could lead to a decline in sales or challenges in the continuation of certain business activities.

Despite the ongoing challenges and uncertainties resulting from the pandemic (COVID-19), we are continuing to pursue the objective of surviving the crisis without hindering PUMA's mid-term growth. Different strategic approaches have been established to ensure the health and safety of our employees and customers, as well as continuous monitoring of the situation and possible restrictions. Close cooperation with partners and suppliers is essential here. In addition, the established e-commerce business forms an essential part of our distribution structure.

SOURCING AND SUPPLY CHAIN BUSINESS PARTNERS

The majority of PUMA products are produced in selected Asian countries, in particular in China, Vietnam, Cambodia, Bangladesh, Indonesia and India. In addition to the aforementioned challenges, production in these countries continues to be associated with significant risks for us. These risks arise, for example, from changes in sourcing, wage and logistic costs, supply bottlenecks for raw materials or components, and quality issues, as well as from the possibility of overdependence on individual suppliers.

The portfolio is regularly reviewed and adjusted to avoid creating a dependence on individual suppliers and sourcing markets. Generally, long-term master framework agreements are agreed upon to secure the required production capacities for the future. A quality control process and the direct and partnership-like collaboration with suppliers should permanently secure the quality and availability of our products.



Sourcing and the supply chain must also react to risks, such as changes in duties and tariffs as well as trade restrictions and government requirements. The transport of products to the distribution countries is also exposed to the risk of delays and failures by warehouse and logistics service providers.

We therefore continuously analyze political, economic and legal framework conditions and have further enhanced our close cooperation with our logistics partners in order to be able to react to changes in the supply chain early on and to continuously strengthen the supply chain. The collaboration with warehouse and logistics service providers is accordingly secured by selection processes, consistent contractual terms and permanent monitoring of relevant indicators.

In 2022, increased geopolitical tensions and the COVID-19 pandemic continued to cause disruptions and delays in relation to sourcing and the supply chain. In order to counteract this risk, we have further intensified the cooperation with our suppliers and logistics partners in order to be able to act flexibly and base our actions around finding the right solutions.

PRODUCT AND MARKET ENVIRONMENT

The risk posed by market-specific product influences, in particular the risk of substitutability in the highly competitive sport and lifestyle market, is countered by the early recognition and taking advantage of relevant consumer trends. Only those companies that identify these trends at an early stage will be able to gain an edge over their competitors. Brand image and brand desirability are of key importance for us, as consumer behavior can have a negative effect on the brand as well as a positive one. Accordingly, we have set the guiding principle that "We want to become the fastest sports brand in the world" in order to underline the company's long-term direction and strategy. The "Forever Faster" brand promise does not just stand for PUMA's product range as a sports and lifestyle company, but also applies to all company processes.

Media reports about PUMA also play a key role in brand image. For example, reports about the infringement of laws or internal/external requirements, product recalls and exposure on social media and reports about workforce diversity and tolerance can cause significant damage to brand image and ultimately result in the loss of sales and profit.

Targeted investments in product design and product development are to ensure that the characteristic PUMA design of the entire product range is consistent with the overall brand strategy ("Forever Faster"), thereby creating a unique level of brand recognition.

Brand image is particularly strengthened through cooperation with brand ambassadors who embody the core of the brand and PUMA's brand values ("brave," "confident," "determined" and "joyful") and have a large potential for influencing PUMA's target group. We additionally counter this risk through careful press, social media and public relations work as well as by monitoring the press and social media environment. This is managed from the group headquarters in Herzogenaurach, Germany, and the subsidiary in the U.S. PUMA also continuously seeks open discussions with important external stakeholders. For example, PUMA launched an initiative in 2022 to bring together young activists, NGOs and industry experts to discuss the biggest challenges facing the fashion industry ("PUMA's Conference of People").

CURRENCY RISKS

As a group that operates internationally, PUMA is exposed to transactional foreign currency risks such that the quoted currencies used for acquisition, disposal and credit transactions and for receivables do not match the functional currency of the Group companies.

PUMA's biggest sourcing market is Asia, where most payments are settled in US dollars (USD), while sales of the PUMA Group are mostly invoiced in other currencies. PUMA manages currency risk in accordance with internal guidelines. Material risks are hedged, in accordance with the Group directive, up to a hedging ratio of 95% of the estimated foreign currency risks from expected acquisition and disposal transactions



over the next 12 to 15 months. Forward exchange contracts and currency options, usually with a term of around 12 months from the reporting date, are used to hedge the foreign currency risk. For significant risks that are subject to large hedging costs, high hedging ratios can only be achieved over shorter terms.

To hedge signed or pending contracts against currency risk, PUMA only concludes currency forward contracts and currency options on customary market terms with reputable international financial institutions. As of the end of 2022, the net requirements for the 2023 planning period were adequately hedged against currency effects.

Foreign exchange risks may also arise from intra-group loans granted for financing purposes. Currency swaps and currency forward transactions are used to hedge currency risks when converting intra-group loans denominated in foreign currencies into the functional currencies of the group companies (EUR).

In order to disclose market risks, IFRS 7 requires sensitivity analysis that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments that are denominated in a currency which differs from the functional currency and are monetary in nature. Differences resulting from the conversion of the individual financial statements to the group currency are not taken into account. All non-functional currencies in which the Group employs financial instruments are generally considered to be relevant risk variables.

The currency sensitivity analysis is based on the net balance sheet risk denominated in foreign currencies. This also includes intra-company monetary assets and liabilities. Outstanding currency derivatives are also reassessed as part of the sensitivity analysis. It is assumed that all other influencing factors, including interest rates and raw material prices, remain constant. The effects of the forecasted operating cash flows are also ignored.

Currency forward contracts, used to hedge against payment fluctuations caused by exchange rates, are part of an effective cash-flow hedging relationship pursuant to IAS 39. Changes in the exchange rate of the currencies underlying these contracts have an effect on the hedge reserve in equity and on the fair value of these hedging contracts.

PROJECTS

The organizational structure of PUMA, with its group headquarters in Herzogenaurach, having a central sourcing organization and globally positioned distribution companies, underlines the group's global orientation. This results in a risk for us that the flows of goods and information are not sufficiently supported by modern warehouse, logistics and IT infrastructure. For this reason, existing business processes must be continually optimized and aligned with business needs. This is carried out systematically through targeted optimization projects, which are planned and managed centrally by the specialized departments.

INFORMATION TECHNOLOGY

The ongoing digitalization of the business environment exposes PUMA to risks in information technology. Key business procedures and processes have the potential to be significantly disrupted by the failure of IT systems and networks, and external attacks (cyberattacks) or incorrect conduct may result in the loss of confidential and sensitive data as well as high costs, loss of sales and reputational damage.



To mitigate these risks, we continuously carry out technical and organizational measures and invest in the renewal and security of our IT landscape. IT systems are regularly checked, maintained and undergo security tests. In addition, all employees are continuously sensitized using guidelines and performing training courses and information campaigns.

DISTRIBUTION STRUCTURE

PUMA utilizes various distribution channels, such as the traditional wholesale business with our retail partners and the PUMA-owned and operated retail and e-commerce business ("Direct-to-consumer business") to reduce its dependency on individual distribution channels. The wholesale business is defined by strong partnerships and represents the largest revenue share overall. The company's own retail and e-commerce business is intended to ensure a higher gross profit margin, better control on distribution and presentation of PUMA products exclusively in the desired brand environment.

In the wholesale business, growing retailers, including those offering their own brands, and competitors pose the risk of intensified competition for consumers and market shares. Consumer purchase behavior is also changing, focusing more on e-commerce and a combination of stationary and digital trade. This requires continuous adjustment of the distribution structure. Distribution through the company's own retail stores and e-commerce channels is, however, also associated with various risks for us. These include the necessary investments in expansion and infrastructure, setting up and refurbishing stores, and higher fixed costs and leases with long-term lease obligations. This can have an adverse impact on profitability in the event of a business decline.

In order to avoid risks, we carry out permanent monitoring of distribution channels and regular reporting by the Controlling and specialized departments. A detailed location and profitability analysis is carried out in our distribution channels before making any investment decision. The company's reporting and controlling system allows us to detect negative trends early on, and to take the countermeasures required to manage individual stores. In e-commerce, global activities are harmonized and investments in the IT platform are made to further optimize purchase transaction settlement and further improve the shopping experience for consumers.

SUSTAINABILITY

Sustainability topics are highly important in sourcing as well as along the entire value chain. Climate change and the resulting increase in customer requirements with regard to sustainability have led to a stronger ecological focus in our product range, both at our own locations and along the production and supply chain. A more efficient use of resources, reduction in greenhouse gas emissions and compliance with environmental standards as well as the increased use of sustainable materials and environmentally friendly chemicals in production are crucial parts of our sustainability strategy.

PUMA's sustainability report (the Non-financial Report) for the financial year 2022 will be available by April 30, 2023 at the latest on the following page of our website:

<https://about.PUMA.com/en/investor-relations/financial-reports>.

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Furthermore, important sustainability information can always be found in the Sustainability section on PUMA's website: <http://about.PUMA.com/en/sustainability>

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MONITORING OF WORKING CONDITIONS

An important aspect of corporate responsibility is maintaining and monitoring working conditions and human rights along the entire value chain. ILO (International Labor Organization) core labor standards form an essential part of this; however, monitoring our suppliers to ensure they do not use hazardous chemicals in production is just as important. Non-compliance by suppliers would also violate our requirements and lead to negative media reports and potentially to a loss of sales.

Adherence to applicable standards is ensured through regular audits of supplier companies.

LEGAL

As an internationally operating group, PUMA is exposed to various legal risks. These include contractual risks or the risk that a third party could assert claims and litigation for infringement of its trademark rights, patent rights or other rights. Counterfeit products in particular can undermine consumer confidence in the brand and damage PUMA's brand image.

The continuous monitoring of contractual obligations and the integration of internal and external legal experts in contractual matters should ensure that any legal risks are avoided. The PUMA team is responsible for protecting our intellectual property in order to combat brand piracy. This not only ensures that we have a strong global portfolio of property rights, such as brands, designs and patents, but also works closely with customs and police forces and provides input regarding the implementation of effective legislation to protect intellectual property.

COMPLIANCE

PUMA is exposed to the risk that employees will violate laws, directives and company standards (compliance violations). These risks, such as theft, fraud, breach of trust, embezzlement and corruption, as well as deliberate misrepresentations in financial reporting, may lead to significant monetary and reputational damage.

Therefore, we use various tools to manage these risks. This includes an integrated compliance management system, the internal control system, group controlling and the internal audit department. As part of the compliance management system, awareness measures are carried out regarding critical compliance topics, such as corruption prevention and cartel law, and corresponding guidelines and a global network of compliance officers are introduced in the group. PUMA employees also have access to a whistleblowing system for reporting unethical behavior.

TAX

In an international business environment, applicable tax regulations must be met. By means of appropriate internal rules of conduct, employees are required to comply with and adhere to the relevant tax regulations. In addition to compliance with national tax regulations to which the individual group companies are subject, there are increasing risks related to intra-group transfer pricing, which must be applied for various internal business transactions in accordance with the arm's length principle between individual group companies.

In all tax areas PUMA has taken adequate precautions with internal and external tax experts in order to comply with the relevant tax regulations, but also to be able to react to changes in the constantly changing tax environment. For the group-internal transfer prices, a corresponding documentation exists which is aligned with international and national requirements and standards. There are guidelines and specifications for determining transfer prices for intra-group transactions that are customary for foreign companies, which comply with the applicable internal procedural rules and are binding for employees who act on behalf of the group. By means of internal tax reporting, external and internal tax experts are able to control and monitor tax developments at PUMA on an ongoing basis. Both, the Management Board and the Supervisory Board, are continuously informed about tax developments at PUMA in order to identify and avoid tax risks as early as possible.



PERSONNEL DEPARTMENT

The creative potential, commitment and performance of PUMA employees are important factors for successful business development. We encourage independent thinking and action, which are key in an open corporate culture with flat hierarchies.

Our human resources strategy seeks to ensure this successful philosophy on a long-term and sustainable basis. To achieve this goal, a control process is in place to detect and assess human-resource risks. Any shortfall in staffing, whether quantitative and/or qualitative in nature, may lead to inadequate performance of tasks that are essential for achieving general business activities and/or company goals in the departments concerned. In addition, there is still strong competition for highly qualified personnel. Accordingly, PUMA pays particular attention to talent management, identifying key positions and talent, ensuring this talent is positioned optimally and succession planning. We have also instituted additional national and global regulations and guidelines to ensure compliance with legal provisions and safeguard the health and safety of our employees. We will continue to make targeted investments in the human-resource needs of particular functions or regions in order to meet the future requirements of our corporate strategy.

LIQUIDITY AND INTEREST RATE RISKS

PUMA continually analyses short-term capital requirements by rolling cash flow planning at the level of the individual companies in coordination with the central Treasury department. In order to ensure the company's solvency, financial flexibility and a strategic liquidity buffer, PUMA maintains, for example, a liquidity reserve in the form of cash and confirmed credit facilities. In this respect, as of December 31, 2022, the PUMA Group had unused credit lines totaling € 943.7 million.

Medium and long-term funding requirements that cannot be directly covered by net cash from operating activities are financed by taking out medium and long-term loans. For this purpose, various promissory note loans were issued in several tranches with fixed and variable coupons and different remaining terms. The utilized promissory note loans amount to a total of € 311.5 million as of December 31, 2022 and have a remaining term of between one and four years.

Changes in market interest rates around the world have an impact on future interest payments for variable interest liabilities. As PUMA does not have any significant variable interest liabilities, any significant interest-rate increases are not likely to have a material negative impact on the business development of PUMA. Interest rate hedging instruments are therefore not required.

DEFAULT RISKS

Due to its business activities, PUMA is exposed to default risk on trade receivables. The default risk is managed by continuously monitoring outstanding receivables and recognizing impairment losses, where appropriate. The default risk is limited, if possible, by credit insurance. The maximum default risk is reflected by the carrying amounts of the financial assets recognized in the balance sheet. In addition, default risks also arise to a lesser extent from other contractual financial obligations of the counterparty, such as bank balances and derivative financial instruments.

**RISK OVERVIEW TABLE**

The following table summarizes the risk groups described above based on their relative importance (significance level) and any changes during the year:

➤ T.07 OVERVIEW OF RISK GROUPS

Risk Groups	Classification	Description	Significance level	Change compared to previous year
Macroeconomic Developments	Strategic	e.g. economic development, political situation, geopolitical tensions	Critical	↗
Pandemic (COVID-19)	Strategic	e.g., store closures, supply problems, health of employees and customers	Critical	→
Business Partners	Operational	e.g., raw material bottlenecks, supply chain disruptions, sourcing and logistic costs, quality problems	Critical	→
Product and Market Environment	Strategic	e.g., trends, customer requirements, brand image, media reports	Material	→
Currency Risk	Financial	e.g., exchange rate fluctuations	Material	↗
Projects	Strategic	e.g., IT infrastructure, construction projects	Material	→
Information Technology	Operational	e.g., cyberattacks, network and system failures	Material	→
Distribution Structure	Strategic	e.g., change in the distribution landscape	Material	→
Sustainability	Regulatory	e.g., climate change, environmental standards	Material	→
Working Conditions	Regulatory	e.g., labor law, human rights, German Supply Chain Due Diligence Act	Material	→
Legal	Regulatory	e.g., trademark law, patent law, counterfeit products	Material	→
Compliance	Regulatory	e.g., fraud, corruption	Material	→
Tax	Financial	e.g., transfer prices	Material	→
Personnel Department	Operational	e.g., key positions, employee retention, health & safety	Moderate	→
Liquidity and Interest Rate	Financial	e.g., cash, credit lines, custody fees, interest rate developments	Moderate	→
Default Risk	Financial	e.g., payment claims against customers	Moderate	→



OPPORTUNITIES

Opportunities should be identified by PUMA at an early stage, assessed and - where possible - used. Due to the close connection to the relevant goals, identified opportunities are incorporated into planning by Controlling. Operational management teams in the respective regions, markets and departments are responsible for opportunity management. PUMA has identified or rather defined the following key opportunity categories for the planning period and beyond.

Macroeconomic conditions are currently being shaped by an extremely uncertain geopolitical, wider economic and competitive environment. Russia's attack on Ukraine, the global energy crisis, ongoing inflation and rising interest rates are leading to uncertainty in consumer behavior and volatility in demand. In response, PUMA will continue to focus on overcoming short-term challenges without adversely affecting the positive brand momentum in the mid-term. Here, it is essential to focus on providing the best possible service to retail partners and consumers in order to further strengthen the mutual trust that has been established, even in challenging times. PUMA's outlook for 2022 of currency-adjusted sales growth in the mid-teen percent range and an operating result (EBIT) in the range of € 600 million to € 700 million (2021: € 557 million), with a corresponding improvement in consolidated net earnings, was confirmed despite a very challenging environment. Strategically, sales growth and increasing market share take precedence over short-term profit optimization.

Ongoing restrictions caused by the COVID-19 pandemic continue to have a stronger impact on the Greater China region. It can be assumed, however, that the restrictions, e.g. in the form of lockdowns, will be less extensive in the future than in previous years in other regions of the world. The positive development of the sports and leisure sector continued in 2022. If PUMA succeeds in maintaining its current momentum and achieving its mid-term growth potential, the company has an opportunity to further increase its market share. Our lifestyle products continue to enjoy strong relevance and demand across all age groups and regions. We have also made great progress in the performance product sector in recent years and have significantly improved our market position, particularly in the running, fitness, basketball, golf and football sectors. PUMA's product range is being continuously optimized and further developed in all sectors. It is also being expanded, for example, by the successful launch of our first outdoor collection ("PUMA Seasons") and our entry into the sport of padel-tennis in 2022. An increasing rise in visitor numbers at national sporting competitions and international sporting events is to be expected, such as the Women's Football World Cup in Australia/New Zealand, the World Athletics Championship in Hungary, the World Men's Handball Championship in Poland and the Men's Basketball World Cup in Japan/Indonesia/the Philippines. The major global interest in sporting events is likely to help support the growth of the sporting goods industry. We are also continuing to see an undiminished trend toward a healthier lifestyle, greater sporting participation and more casual clothing, which opens up corresponding opportunities for our industry.

In terms of the distribution structure, the COVID-19 pandemic has significantly accelerated the growth of the e-commerce business, particularly with regard to local market coverage. In 2022, a dedicated PUMA shopping app was also developed for the global e-commerce business and successfully introduced in the USA, India and the United Kingdom. The introduction of the PUMA shopping app in other markets is planned for the coming years and will open up further opportunities regarding customer loyalty and sales growth. Stronger partnerships in the wholesale business also offer opportunities for future business development. New sales formats and improvements to the shopping experience in our own retail stores can also lead to positive business prospects. In terms of distribution, optimizing delivery capacity through new, state-of-the-art multi-channel distribution centers in key markets also continues to support business development.



In information technology, improved, tailored communication with customers via digital channels and new ways of presenting products, for example, offer opportunities. In addition, new or more efficient processes may add value or result in cost optimization. The digitalization of key business processes, for example relating to product design and the purchasing process of our wholesale customers, will continue to be advanced in order to take advantage of market opportunities through greater efficiency and effectiveness.

With end customers paying more attention to sustainability, there is an opportunity to make further progress with existing PUMA activities and improve communication in this area, which could increase demand for sustainable products. PUMA once again performed very well in key sustainability rankings in 2022 and was labeled the most sustainable brand by Business of Fashion, for example – this strong positioning, along with improved communication, opens up opportunities in this important area. For example, PUMA organized the "Conference of the People" for the first time in 2022 to discuss solutions with experts from across the industry and also with young consumers for achieving a more sustainable sporting goods industry.

OVERALL ASSESSMENT OF THE RISK AND OPPORTUNITY SITUATION

The assessment of the overall risk and opportunity situation of the Group and PUMA SE is the result of a consolidated view of the risk and opportunity categories described above for the financial year 2022. Similar to the description in our 2021 Combined Management Report, our assessment of PUMA's overall risk situation this year is again predominantly influenced by geopolitical tensions and the ongoing impact of the COVID-19 pandemic on the economy as a whole, as described above, and is focused on the major challenges these pose. The Management Board is currently not aware of any material risks that, either individually, on an aggregated basis or in combination with other risks, could jeopardize the continued existence of the Group and PUMA SE.

However, we cannot exclude the possibility that in the future influencing factors, of which we are currently unaware or which we currently do not consider to be material, could have a negative impact on the continued existence of the Group or PUMA SE or individual consolidated companies. Also due to the extremely solid balance sheet and the positive business outlook, the Management Board does not see any significant threat to the continued existence of the PUMA Group and PUMA SE.

MAIN FEATURES OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM AS IT RELATES TO THE GROUP'S ACCOUNTING PROCESS

The Management Board of PUMA SE is responsible for the preparation and accuracy of the annual financial statements, the consolidated financial statements and the combined management report of PUMA SE. The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards that apply in the EU, the requirements of the German Commercial Code (HGB), the German Stock Corporation Act (AktG) and the German SE Implementation Act (SEAG). Certain disclosures and amounts are based on current estimates by the Management Board and the management.

The Management Board is responsible for maintaining and regularly monitoring a suitable internal control and risk management system covering the consolidated financial statements and the disclosures in the combined management report. This control and risk management system is designed to ensure the compliance and reliability of the internal and external accounting records, the presentation and accuracy of the consolidated financial statements, and the combined management report and the disclosures contained therein. It is based on a series of process-integrated monitoring steps and encompasses the measures necessary to accomplish these, such as internal instructions, organizational and authorization guidelines, the relevant company guidelines and handbooks, a clear separation of functions within the Group and the dual-control principle. The adequacy and operating effectiveness of these measures are regularly reviewed by the Group Internal Audit, Risk Management & Internal Control Department.



For monthly financial reporting and consolidation, PUMA has a group-wide reporting and controlling system that makes it possible to regularly and quickly detect deviations from projected figures and accounting irregularities and, where necessary, to take countermeasures.

By means of established internal reporting channels, the risk management system can regularly identify events that could affect the Group's economic performance and its accounting process so that it can analyze and evaluate the resulting risks and take the necessary actions to counter them.

In preparing the consolidated financial statements and the combined management report, it is sometimes necessary to make assumptions and estimates based on the information available at the time the financial statements and management report are prepared that affect the amount, presentation and explanation of recognized assets and liabilities, income and expenses, contingent liabilities and other reportable information.

The Audit Committee of the Supervisory Board meets on a regular basis with the independent statutory auditors, the Management Board and the Group Internal Audit, Risk Management & Internal Control Department to discuss the results of the internal audits and statutory audits with reference to the internal control and risk management system as it relates to the accounting process. At the annual meeting on the financial statements, the auditor reports to the Supervisory Board (including the Audit Committee) on the results of the audit of the annual and consolidated financial statements.

INTERNAL CONTROL SYSTEM

PUMA's internal control system applies to all employees throughout the Group as it incorporates the principles, procedures and measures established by PUMA Group management. All essential business processes that support the organizational implementation of management decisions must be taken into account.

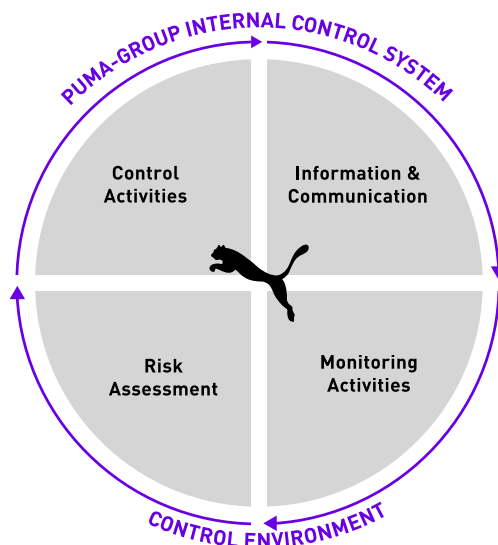
Within the PUMA Group, the methodology of the internal control system is based on the COSO Framework, which describes internal management and monitoring considerations for key processes within the company. Its purpose is to support the objectives of ensuring proper financial reporting, improving the efficiency and effectiveness of the processes and maintaining compliance with legal framework conditions.

The PUMA control framework is applied uniformly to the entire Group. The requirement here is to manage the significant risks through appropriate control activities. The objective is to continuously improve the internal control system and to identify specific risks and potential for improvement in the control environment at process level in order to define appropriate recommendations for action and enable these to be timely implemented by the process owners. Independent monitoring bodies such as the Supervisory Board and the Audit Committee help ensure that the control environment remains up-to-date. The Management Board of PUMA SE bears overall responsibility for the internal control system. The Management Board regularly updates the Audit Committee of the Supervisory Board of PUMA SE. The internal control function of the Group Internal Audit, Risk Management & Internal Control Department has been tasked with preparing regular reports for the Management Board in order to help coordinate the internal control system from an operational perspective. The responsibilities, tasks and processes of the internal control system are defined in guidelines.

With regard to the PUMA control framework, the following five core components must be kept in mind: control environment, risk assessment, control activities, information and communication, and monitoring activities.



➤ 6.21 INTERNAL CONTROL SYSTEM



The internal control system is based on the control environment established within the PUMA Group, in that it lays out principles for employee and management behavior within the company. The standards practiced are underpinned by internally formalized procedures and by clear guidelines on giving instructions and authorizations to do so. Together with external regulations, these internal standards form a control environment that applies to all employees of the PUMA Group.

As described in the previous section headed "Risk Management," the PUMA Group is also subject to a large number of risks that may potentially impact on company goals. Risk identification and assessment is carried out every six months in order to manage material risks at Group level. Using the resulting risk portfolio, the objective of the internal control system is to ensure that the compensating control measures fully correspond to the risk assessment/evaluation. In addition, the internal control system's risk assessment also includes a large number of more detailed risks in day-to-day operations – for example, operational activities in accordance with compliance regulations.

Control activities serve to counteract the identified business risks. In order to ensure that the control framework is continuously up-to-date and to monitor its application in business processes, an annual "Internal Control Self-Assessment" (ICSA) is completed by the key business units of the PUMA Group. The internal control function ensures that the key business units – at parent and subsidiary company level – are included in the ICSA. The managers of these business units evaluate the specified control objectives of the PUMA Group in relation to their business area. When doing so, the existing control framework is assessed based on internal and external guidelines and best-practice standards. The response indicates the degree to which the control objectives have been implemented. This is communicated to the Management Board via established reporting channels. The results of the ICSA are also reported to the Audit Committee and the statutory auditors, and are used by the internal audit function of the Group Internal Audit, Risk Management & Internal Control Department in risk-oriented audit planning.

The purpose of informing and communicating potential business risks and control activities is to help make sound business decisions, with the information required to do so being accessible within an appropriate and timely framework. Established communication channels are continuously used in the PUMA Group to achieve this. The internal control function coordinates awareness training and regular coordination meetings in order to continuously guarantee, and also strengthen, its cooperation with the Management Board and other managers of business units.



The use of a standardized software system as the basis for monitoring activities is intended to ensure the systematic and uniform implementation of ICSA across the entire company. The internal control function analyses the results of the ICSA and derives recommended actions, which are coordinated with the managers of the business units and the implementation status of which is reviewed continuously.

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The Management Board also monitors the effectiveness of the risk management and internal control system in a holistic manner. Accordingly, key aspects of the systems are reviewed on a quarterly basis as part of cyclical reporting. This is to ensure that material risks are managed with an appropriate level of transparency, that individual issues are discussed in an appropriate form and can be tracked, and that possible improvements to the systems are considered. Supported by an established control environment, the continuous system monitoring and improvement reflects the PUMA Group's open risk culture. During the reporting period, PUMA SE was not aware of any relevant circumstances that cast doubt on the adequacy and effectiveness of the risk management and internal control systems nor that had not been rectified by the balance sheet date. Nevertheless, it is worth noting that even systems that have been characterized as appropriate and effective are subject to inherent limitations. As such, it is not possible to guarantee the complete prevention of any procedural violations and/or risks actually arising.

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OUTLOOK REPORT

GLOBAL ECONOMY

In their winter forecast dated December 21, 2022, experts at the Kiel Institute for the World Economy (IfW Kiel) expect global gross domestic product (GDP) to increase by only 2.2% in 2023, following growth of 3.2% in 2022. According to IfW Kiel experts, the expected slowdown in the global economy is due to the growing dominance of slowing effects, resulting primarily from the financial environment. Higher financing costs are slowing investment and consumption. In many countries, the financial cycle also seems to be entering a new phase. Real estate prices are now falling after a long period of significant rises. When the financial cycle enters a new phase, financial imbalances often appear, which further slow economic activity. IfW Kiel experts forecast that economic output in the United States will decline in 2023 and that the Eurozone is also on the threshold of a recession. For the Chinese economy, the departure from the zero-COVID policy presents both opportunities and risk. Overall, the risks of this economic forecast for 2023 are likely to increasingly arise in the financial environment, in the opinion of IfW Kiel experts. In addition, energy supply and energy prices continue to represent a risk for the forecast.

SPORTING GOODS INDUSTRY

Provided that the geopolitical environment and the continued course of the COVID-19 pandemic do not result in a renewed significant negative impact on the macroeconomic conditions, we expect the sporting goods industry to grow in 2023. We expect demand for sporting goods to increase in 2023 as the trend toward increased sports activities and healthier lifestyles continues and becomes even more significant as a result of the COVID-19 pandemic. This applies equally to the increasing popularity of athletic footwear and leisure/athletic apparel as an integral part of everyday fashion ("athleisure"). In addition, we assume that major sporting events in 2023, such as the World Athletics Championship in Hungary, the Men's Basketball World Cup in Japan, Indonesia and the Philippines, and the Women's Football World Cup in Australia and New Zealand, will help to support growth in the sporting goods industry.

OUTLOOK 2023

PUMA achieved another record in sales and operating result (EBIT) in the financial year 2022. We delivered the strong growth based on our continued brand momentum, successful product launches and the best possible service for our athletes, retail partners and consumers. As people make the difference, a significant part of our momentum is due to our very engaged employees.

Despite the strong growth in 2022, we continue to face a high degree of geopolitical, macroeconomic and commercial uncertainty. The war in Ukraine, the threat of recession, high inflation and high interest rates are resulting in volatile retailer and consumer demand. In addition, we are seeing increased inventory levels across our industry, which contribute to a competitive market environment.

Considering PUMA's strong momentum, we expect currency-adjusted sales growth in the high single-digit percentage range and operating result (EBIT) in a range of € 590 million to € 670 million (2022: € 641 million) for the financial year 2023. PUMA's net earnings are expected to change accordingly.

The development of the gross profit margin and OPEX ratio will largely depend on the extent and the duration of the negative impacts described above. Given the timing of these unfavorable factors, we expect the gross profit margin to be under more pressure in the first half of the year than in the second half. For the full year 2023, PUMA expects currencies, higher freight rates and raw material prices to again dilute profitability.



As in previous years, PUMA will continue to focus on managing short-term challenges without compromising the mid- and long-term momentum of the brand. Our sales growth and market share gains will have priority over short-term profitability. The exciting product range for 2023 and the very good feedback from retail partners as well as consumers make us confident for the mid- and long-term success and continued growth of PUMA.

INVESTMENTS

Investments in fixed assets of around € 330 million are planned for 2023. The majority of these investments will be in infrastructure in order to create the operating conditions required for the planned long-term growth. The investments mainly concern own distribution and logistics centers, investments in administrative buildings and further investments in the expansion and modernization of the Group's own retail stores.

FOUNDATION FOR LONG-TERM GROWTH

The Management Board and the Supervisory Board have set long-term strategic priorities. Action plans are being implemented in a targeted and value-oriented manner. We believe that the corporate strategy "Forever Faster" provides the basis for mid- and long-term positive development.

Herzogenaurach, February 2, 2023

The Management Board

Freundt

Hinterseher

Descours

Valdes

This is a translation of the German version. In case of doubt, the German version shall apply.



CONSOLIDATED FINANCIAL STATEMENTS

PUMA SE for the financial year 2022
– International Financial Reporting Standards – IFRS

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CONSOLIDATED FINANCIAL STATEMENTS

➤ T.01 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		12/31/2022	12/31/2021
	Notes	€ million	€ million
ASSETS			
Cash and cash equivalents	3	463.1	757.5
Inventories	4	2,245.1	1,492.2
Trade receivables	5	1,064.9	848.0
Income tax receivables	22	54.0	37.8
Other current financial assets	6	137.4	153.4
Other current assets	7	235.9	200.9
Current assets		4,200.4	3,489.8
Deferred tax assets	8	295.0	279.9
Property, plant and equipment	9	592.2	472.4
Right-of-use assets	10	1,111.3	940.5
Intangible assets	11	506.5	471.9
Other non-current financial assets	12	58.4	64.6
Other non-current assets	12	8.8	9.1
Non-current assets		2,572.3	2,238.4
Total assets		6,772.7	5,728.3



		12/31/2022	12/31/2021
	Notes	€ million	€ million
LIABILITIES AND EQUITY			
Current financial liabilities	13	75.9	68.5
Trade payables	13	1,734.9	1,176.4
Income taxes	22	86.8	85.7
Current lease liabilities	10	200.2	172.3
Other current provisions	16	50.3	47.9
Other current financial liabilities	13	76.1	64.4
Other current liabilities	13	618.9	549.0
Current liabilities		2,843.0	2,164.5
Non-current lease liabilities	10	1,030.3	851.0
Deferred tax liabilities	8	42.0	48.8
Pension provisions	15	22.4	31.9
Other non-current provisions	16	29.5	37.9
Other non-current financial liabilities	13	265.3	314.1
Other non-current liabilities	13	1.4	1.5
Non-current liabilities		1,390.9	1,285.3
Subscribed capital	17	150.8	150.8
Capital reserve	17	90.8	86.4
Other reserves	17	2,253.6	2,002.9
Treasury stock	17	-23.5	-26.9
Shareholders' equity		2,471.7	2,213.3
Non-controlling interests	17, 28	67.1	65.2
Total equity		2,538.8	2,278.5
Total liabilities and equity		6,772.7	5,728.3



➤ T.02 CONSOLIDATED INCOME STATEMENT

		2022	2021
	Notes	€ million	€ million
Sales	19, 4	8,465.1	6,805.4
Cost of sales	24	-4,562.3	-3,547.6
Gross profit	24	3,902.7	3,257.8
Royalty and commission income		33.8	23.9
Other operating income and expenses	20	-3,295.9	-2,724.6
<i>thereof impairment losses on trade receivables and other financial assets</i>	5	-4.4	0.2
Operating result (EBIT)		640.6	557.1
Financial income	21	79.4	29.9
Financial expenses	21	-168.3	-81.7
Financial result		-88.9	-51.8
Earnings before taxes (EBT)		551.7	505.3
Taxes on income	22	-127.4	-128.5
Consolidated net earnings for the year		424.4	376.8
attributable to:			
Non-controlling interests	17, 28	70.9	67.2
Net earnings attributable to shareholders of PUMA SE		353.5	309.6
Earnings per share (€)	23	2.36	2.07
Earnings per share (€) – diluted	23	2.36	2.07
Weighted average shares outstanding (million)	23	149.65	149.59
Weighted average shares outstanding, diluted (million)	23	149.66	149.60



➤ T.03 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2022	2021
	€ million	€ million
Consolidated net earnings before attribution	424.4	376.8
Currency changes	68.5	43.8
Net gain/loss on cash flow hedges, net after tax	-64.5	165.6
Items expected to be reclassified to the income statement in the future	4.0	209.4
Remeasurements of the net defined benefit liability, net after tax	7.6	4.2
Neutral effects financial assets through other comprehensive income (FVTOCI), net after tax	-3.4	-6.2
Items not expected to be reclassified to the income statement in the future	4.2	-2.0
Other comprehensive income	8.2	207.4
Comprehensive income	432.6	584.1
attributable to: Non-controlling interests	75.0	71.5
Shareholders of PUMA SE	357.6	512.6



➤ T.04 CONSOLIDATED STATEMENT OF CASH FLOWS

		2022	2021
	Notes	€ million	€ million
<u>Operating activities</u>			
Earnings before taxes (EBT)		551.7	505.3
Adjustments for:			
Depreciation and impairment	9, 10, 11	358.7	305.8
Non-realized currency gains/losses, net		-43.6	-29.6
Financial income	21	-32.3	-29.9
Financial expenses	21	54.4	72.6
Changes from the sale of fixed assets		1.0	5.1
Changes to pension provisions	15	0.5	-3.7
Other non-cash effected expenses/income		28.6	-4.5
Gross cash flow	25	918.9	821.2
Changes in receivables and other current assets	5, 6, 7	-209.4	-283.2
Changes in inventories	4	-747.0	-304.3
Changes in trade payables and other current liabilities	13	613.1	373.2
Net cash from operational business activities		575.6	606.9
Income taxes paid	22	-157.4	-146.9
Net cash from operating activities	25	418.3	460.1



		2022	2021
	Notes	€ million	€ million
Investing activities			
Purchase of property and equipment	9, 11	-263.6	-202.4
Proceeds from sale of property and equipment		1.3	18.3
Payment for other assets	12	-10.8	-11.6
Interest received	21	32.3	11.9
Net cash used in investing activities		-240.8	-183.8
Financing activities			
Repayment of lease liabilities	10	-190.0	-160.9
Repayment of current financial liabilities	13	-9.5	-53.4
Raising of current financial liabilities	13	17.9	0.0
Repayment of non-current financial liabilities	13	-60.0	-68.5
Raising of non-current financial liabilities	13	0.0	235.0
Dividend payments to shareholders of PUMA SE	17	-107.7	-23.9
Dividend payments to non-controlling interests	17, 28	-73.3	-47.8
Interest paid	21	-53.8	-44.4
Net Cash used in financing activities	25	-476.4	-164.0
Exchange rate-related changes in cash and cash equivalents		4.4	-10.5
Change in cash and cash equivalents		-294.4	101.7
Cash and cash equivalents at beginning of the financial year		757.5	655.9
Cash and cash equivalents at end of the financial year	3, 25	463.1	757.5



➤ T.05 STATEMENT OF CHANGES IN EQUITY (€ million)

	Subscribed capital	Capital reserve	Other reserves			Treasury stock	Shareholders' equity	Non-controlling interests	TOTAL equity
			Revenue reserves incl. Retained Earnings	Difference from currency conversion	Cash flow hedges				
12/31/2020	150.8	84.8	1,961.8	-360.0	-87.6	-27.4	1,722.4	41.5	1,763.9
Consolidated net earnings of the year			309.6				309.6	67.2	376.8
Other comprehensive income			-2.0	39.4	165.6		203.1	4.3	207.4
Total comprehensive income			307.6	39.4	165.6		512.6	71.5	584.1
Dividends paid to shareholders of PUMA SE/ non-controlling interests			-23.9				-23.9	-47.8	-71.8
Share-based payment and Utilization/Issue of treasury stock		1.7				0.5	2.2		2.2
12/31/2021	150.8	86.4	2,245.4	-320.6	78.1	-26.9	2,213.3	65.2	2,278.5



	Subscribed capital	Capital reserve	Other reserves			Treasury stock	Shareholders' equity	Non-controlling interests	TOTAL equity
			Revenue reserves incl. Retained Earnings	Difference from currency conversion	Cash flow hedges				
12/31/2021	150.8	86.4	2,245.4	-320.6	78.1	-26.9	2,213.3	65.2	2,278.5
Consolidated net earnings of the year			353.5				353.5	70.9	424.4
Other comprehensive income			4.2	63.8	-63.9		4.1	4.1	8.2
Total comprehensive income			357.7	63.8	-63.9		357.6	75.0	432.6
Dividends paid to shareholders of PUMA SE/ non-controlling interests			-107.7				-107.7	-75.3	-183.0
Share-based payment and Utilization/Issue of treasury stock		4.4				3.4	7.7		7.7
Transaction with shareholders			0.9				0.9	2.2	3.1
12/31/2022	150.8	90.8	2,496.2	-256.8	14.2	-23.5	2,471.7	67.1	2,538.8



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Under the PUMA and Cobra Golf brand names, PUMA SE and its subsidiaries are engaged in the development and sale of a broad range of sports and sports lifestyle products, including footwear, apparel and accessories. The company is a European stock corporation (Societas Europaea/SE) and parent company of the PUMA Group; its registered office is on PUMA WAY 1, 91074 Herzogenaurach, Germany. The competent registry court is in Fürth (Bavaria), the register number is HRB 13085.

The consolidated financial statements of PUMA SE and its subsidiaries (hereinafter shortly referred to as the "Group" or "PUMA") were prepared in accordance with the "International Financial Reporting Standards (IFRS)" accounting standards issued by the International Accounting Standards Board (IASB), as they are to be applied in the EU, and the supplementary accounting principles to be applied in accordance with Section 315e(1) of the German Commercial Code (HGB). The IASB standards and interpretations, as they are to be applied in the EU, which are mandatory for financial years as of January 1, 2022, have been applied.

The items contained in the financial statements of the individual Group companies are measured based on the currency that corresponds to the currency of the primary economic environment in which the Company operates. The consolidated financial statements are prepared in euros (EUR or €). The presentation of amounts in millions of euros with one decimal place may lead to rounding differences since the calculation of individual items is based on figures presented in thousands.

The cost of sales method is used for the consolidated income statement.

The following new or amended standards and interpretations have been used for the first time in the current financial year:

➤ T.06 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

Standard	Title
First-time adoption in the current financial year	
Amendments to IFRS 3	References to the Conceptual Framework
Amendments to IAS 37	Onerous contracts: Contract performance costs
Amendments to IAS 16	Property, plant and equipment: Proceeds before intended use
Annual Improvements 2018-2020	Improvements to IFRS 1, IFRS 9, IFRS 16 and IAS 41



The amendments to the standards and interpretations described below, which were to be initially adopted as of January 1, 2022, did not affect the PUMA consolidated financial statements.

The amendments update IFRS 3 such that the standard now refers to the 2018 conceptual framework and no longer to the 1989 conceptual framework. Two additions were also included. When identifying liabilities taken on as part of a business combination, in the case of transactions and similar events within the scope of application of IAS 37 or IFRIC 21, a buyer must precisely apply these provisions (instead of the conceptual framework). The express statement was also included that contingent receivables acquired in the course of a business combination are not to be recognized. This change has no effect on the PUMA consolidated financial statements.

The amendments to IAS 37 stipulate that the "contract performance costs" are "costs that relate directly to the contract." These may be either additional costs for the performance of this contract (e.g. direct labor costs, materials) or an allocation of other costs directly related to the performance of contracts (e.g. the allocation of depreciation for an item of property, plant and equipment, which is used in the performance of the contract). This change has no effect on the PUMA consolidated financial statements.

The amendments to IAS 16 mean that it is not permissible to deduct from the costs of property, plant and equipment the income arising from the sale of goods that are produced while property, plant and equipment are brought to the location intended by management and rendered in their intended operational state. Instead, a company records the income from such disposals and the costs of producing these goods in the operating result. Costs for test runs to check whether the property, plant and equipment is functioning properly continue to be an example of directly attributable costs. This change has no effect on the PUMA consolidated financial statements.

**NEW, BUT NOT YET MANDATORY, STANDARDS AND INTERPRETATIONS**

The following standards and interpretations have been released but will only become effective in later reporting periods and are not applied earlier by the Group:

➤ T.07

Standard	Title	Date of adoption *	Planned adoption
Endorsed			
IFRS 17 (including amendment IFRS 17)	Insurance contracts	01/01/2023	01/01/2023
Amendments to IAS 1	Disclosure of accounting policies	01/01/2023	01/01/2023
Amendments to IAS 8	Definition of accounting estimates	01/01/2023	01/01/2023
Amendments to IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	01/01/2023	01/01/2023
Amendments to IFRS 17	First-time application of IFRS 17 and IFRS 9 – Comparative information	01/01/2023	01/01/2023
Endorsement pending			
Amendments to IAS 1	Classification of liabilities as current or non-current	01/01/2024	01/01/2024
Amendments to IFRS 16	Lease liabilities as part of a sale and leaseback transaction	01/01/2024	01/01/2024
Amendments to IAS 1	Non-current liabilities with covenants	01/01/2024	01/01/2024
Amendments to IFRS 10 and IAS 28	Sale or contribution of assets	postponed indefinitely	

* Adjusted by EU endorsement, if applicable

PUMA does not expect any significant effects on the net assets, financial position and results of operations from these amendments. However, the amendment to IAS 12 leads to a change in future disclosures in the notes to the consolidated financial statements.



2. SIGNIFICANT CONSOLIDATION, ACCOUNTING AND VALUATION POLICIES

CONSOLIDATION PRINCIPLES

The consolidated financial statements were prepared as of December 31, 2022, the reporting date of the annual financial statements of the PUMA SE parent company, on the basis of uniform accounting and valuation principles according to IFRS, as applied in the EU.

Subsidiaries are companies in which the Group has existing rights that give it the current ability to direct the relevant activities. The main activities are those that have a significant influence on the profitability of the company. Control is therefore considered to exist if the Group is exposed to variable returns from its relationship with a company and has the power to govern those returns through its control of the relevant activities. As a rule, control is based on PUMA's direct or indirect majority of the voting rights. Consolidation begins at the point in time from which control is possible. It ends when this no longer exists.

The recognition of business combinations is based on the acquisition method. The assets, debts and contingent liabilities that can be identified as part of a business combination are generally stated at their fair value as of the acquisition date, regardless of the size of non-controlling interests. For each acquisition, there is a separately exercisable option whether the non-controlling interests are measured at fair value or at the proportionate share of net assets.

The surplus of the consideration transferred that exceeds the Group's share in the net assets stated at fair value is recognized as goodwill. If the consideration transferred is lower than the amount of the net assets stated at fair value, the difference is recognized directly in the income statement.

With respect to the controlling interests, losses attributable to non-controlling interests are allocated to the latter even if this results in a negative balance in non-controlling interests.

Intra-group receivables and liabilities are offset against each other. Offsetting differences resulting from exchange rate effects are generally recognized in the income statement to the extent that they arose in the reporting period. Where receivables and liabilities are of a long-term nature and replace capital, the currency difference is recognized directly in other comprehensive income.

In the course of the expense and income consolidation, inter-company sales and intra-group income are offset against the expenses attributable to them. Interim profits not yet realized within the Group as well as intra-group investment income are eliminated.



GROUP OF CONSOLIDATED COMPANIES

In addition to PUMA SE, the consolidated financial statements include all subsidiaries in which PUMA SE directly or indirectly holds existing rights that give it the current ability to direct the relevant activities. At present, control of all Group companies is based on a direct or indirect majority of voting rights.

Associated companies are generally accounted for in the Group using the equity method. As of December 31, 2022, the Group does not hold any investments in associated companies.

The changes in the number of Group companies (including the parent company PUMA SE) in the financial year 2022 were as follows:

➤ T.08

As of	12/31/2021	101
Formation of companies		1
Disposal of companies		2
As of	12/31/2022	100

The addition to the group of consolidated companies relates to the formation of PUMA United Aviation North America LLC, USA.

The departures from the group of consolidated companies relate to the merger of PUMA India Corporate Services Private Ltd., India within the group of consolidated companies, and the liquidation of World Cat Sourcing India Private Ltd., India.

The changes in the group of consolidated companies did not have a significant effect on the net assets, financial position and results of operations.



The Group companies are allocated to regions as follows:

[T.09](#)

AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
Parent company					
1.	PUMA SE	Germany	Herzogenaurach		
EMEA					
2.	Austria Puma Dassler Gesellschaft m.b.H.	Austria	Salzburg	direct	100%
3.	stichd austria gmbh	Austria	Salzburg	indirect	100%
4.	Puma Czech Republic s.r.o.	Czech Republic	Prague	indirect	100%
5.	PUMA DENMARK A/S	Denmark	Aarhus	indirect	100%
6.	PUMA Estonia OÜ	Estonia	Tallinn	indirect	100%
7.	PUMA Finland Oy	Finland	Helsinki	indirect	100%
8.	PUMA FRANCE SAS	France	Strasbourg	indirect	100%
9.	stichd france SAS	France	Boulogne Billancourt	indirect	100%
10.	PUMA International Trading GmbH	Germany	Herzogenaurach	direct	100%
11.	PUMA Europe GmbH	Germany	Herzogenaurach	direct	100%
12.	PUMA Sprint GmbH	Germany	Herzogenaurach	direct	100%
13.	PUMA Mostro GmbH	Germany	Herzogenaurach	indirect	100%
14.	stichd germany GmbH	Germany	Düsseldorf	indirect	100%
15.	PUMA UNITED KINGDOM LTD	Great Britain	London	indirect	100%
16.	PUMA PREMIER LTD	Great Britain	London	indirect	100%
17.	STICHDK UK LTD	Great Britain	Mansfield	indirect	100%
18.	STICHDK SPORTMERCHANDISING UK LTD	Great Britain	London	indirect	100%


AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
19.	GENESIS GROUP INTERNATIONAL LIMITED	Great Britain	Manchester	direct	100%
20.	Sport Equipment Hellas S. A. of Footwear, Apparel and Sportswear u.Li.	Greece	Athens	direct	100%*
21.	PUMA ITALIA S.R.L.	Italy	Assago	indirect	100%
22.	STICHD ITALY SRL	Italy	Assago	indirect	100%
23.	Puma Sport Israel Ltd. In Liq	Israel	Herzliya	indirect	100%
24.	PUMA MALTA LIMITED	Malta	St. Julians	indirect	100%
25.	Puma Benelux B.V.	Netherlands	Leusden	direct	100%
26.	PUMA International Sports Marketing B.V.	Netherlands	Leusden	direct	100%
27.	stichd group B.V.	Netherlands	's-Hertogenbosch	direct	100%
28.	stichd international B.V.	Netherlands	's-Hertogenbosch	indirect	100%
29.	stichd sportmerchandising B.V.	Netherlands	's-Hertogenbosch	indirect	100%
30.	stichd B.V.	Netherlands	's-Hertogenbosch	indirect	100%
31.	stichd logistics B.V.	Netherlands	's-Hertogenbosch	indirect	100%
32.	stichd licensing B.V.	Netherlands	's-Hertogenbosch	indirect	100%
33.	PUMA NORWAY AS	Norway	Fornebu	indirect	100%
34.	PUMA POLSKA sp. z o.o.	Poland	Warsaw	indirect	100%
35.	PUMA SPORTS ROMANIA SRL	Romania	Voluntari	indirect	100%
36.	PUMA-RUS o.o.o.	Russia	Moscow	indirect	100%
37.	PUMA SPORTS DISTRIBUTORS (PTY) LTD	South Africa	Cape Town	indirect	100%
38.	PUMA SPORTS S A (PTY) LTD	South Africa	Cape Town	indirect	100%
39.	PUMA IBERIA SLU	Spain	Madrid	direct	100%
40.	STICHDIBERIA S.L.	Spain	Cornella de Llobregat	indirect	100%
41.	Nrotert AB	Sweden	Helsingborg	direct	100%

* Subsidiaries which are assigned to be financially 100% PUMA Group


AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
42.	PUMA Nordic AB	Sweden	Helsingborg	indirect	100%
43.	Nrotert Sweden AB	Sweden	Helsingborg	indirect	100%
44.	stichd nordic AB	Sweden	Helsingborg	indirect	100%
45.	MOUNT PUMA AG	Switzerland	Oensingen	direct	100%
46.	Puma Retail AG	Switzerland	Oensingen	indirect	100%
47.	stichd switzerland AG	Switzerland	Egerkingen	indirect	100%
48.	PUMA Spor Giyim Sanayi ve Tricaret A.S.	Turkey	Istanbul	indirect	100%
49.	PUMA UKRAINE LIMITED LIABILITY COMPANY	Ukraine	Kyiv	indirect	100%
50.	PUMA Middle East FZ-LLC	United Arab Emirates	Dubai	indirect	100%
51.	PUMA UAE (L.L.C)	United Arab Emirates	Dubai	indirect	100%
Americas					
52.	PUMA Sports Argentina S.A. (former Unisol S.A.)	Argentina	Buenos Aires	indirect	100%
53.	PUMA Sports Ltda.	Brazil	Sao Paulo	indirect	100%
54.	PUMA Canada, Inc.	Canada	Toronto	indirect	100%
55.	PUMA United Canada ULC	Canada	Vancouver	indirect	51%
56.	PUMA CHILE SpA	Chile	Santiago	direct	100%
57.	PUMA SERVICIOS SpA	Chile	Santiago	indirect	100%
58.	PUMA México Sport, S.A. de C.V.	Mexico	Mexico City	direct	100%
59.	Importaciones RDS, S.A. de C.V.	Mexico	Mexico City	direct	100%
60.	GLOBAL LICENSE STICHD GROUP MEXICO S.A. de C.V.	Mexico	Mexico City	indirect	100%
61.	Importaciones Brand Plus Licensing S.A. de C.V.	Mexico	Mexico City	indirect	100%
62.	Distribuidora Deportivo PUMA S.A.C.	Peru	Lima	indirect	100%
63.	Distribuidora Deportivo PUMA Tacna S.A.C.	Peru	Tacna	indirect	100%
64.	PUMA Sports LA S.A.	Uruguay	Montevideo	direct	100%
65.	PUMA Suede Holding, Inc.	USA	Wilmington	indirect	100%


AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
66.	PUMA North America, Inc.	USA	Wilmington	indirect	100%
67.	Cobra Golf Incorporated	USA	Wilmington	indirect	100%
68.	PUMA United Aviation North America LLC	USA	Wilmington	indirect	70%
69.	PUMA United Canada Holding, Inc.	USA	Wilmington	indirect	100%
70.	PUMA United North America LLC	USA	Dover	indirect	51%
71.	Janed Canada, LLC	USA	Dover	indirect	51%
72.	stichd NA, Inc.	USA	Lewes	indirect	100%
Asia/ Pacific					
73.	PUMA Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
74.	White Diamond Australia Pty. Ltd.	Australia	Melbourne	indirect	100%
75.	White Diamond Properties Pty. Ltd.	Australia	Melbourne	indirect	100%
76.	PUMA China Ltd. (彪马 (上海) 商贸有限公司)	China	Shanghai	indirect	100%
77.	stichd Trading (Shanghai) Co., Ltd. (斯梯起特贸易 (上海) 有限公司)	China	Shanghai	indirect	100%
78.	Guangzhou World Cat Information Consulting Services Company Ltd. (广州寰彪信息咨询服务有限公司)	China	Guangzhou	indirect	100%
79.	World Cat Ltd. (寰彪有限公司)	China	Hong Kong	direct	100%
80.	Development Services Ltd.	China	Hong Kong	direct	100%
81.	PUMA International Trading Services Ltd.	China	Hong Kong	indirect	100%
82.	PUMA ASIA PACIFIC LTD (彪馬亞太區有限公司)	China	Hong Kong	direct	100%
83.	PUMA Hong Kong Ltd. (彪馬香港有限公司)	China	Hong Kong	indirect	100%
84.	stichd Limited	China	Hong Kong	indirect	100%
85.	PUMA Sports India Private Ltd.	India	Bangalore	indirect	100%
86.	PT. PUMA Cat Indonesia	Indonesia	Jakarta	indirect	100%
87.	PT PUMA Sports Indonesia	Indonesia	Jakarta	indirect	100%
88.	PUMA Japan K.K. (プーマ ジャパン株式会社)	Japan	Tokyo	indirect	100%


AS OF DECEMBER 31, 2022

No.	Companies/Legal Entities	Country	City	Shareholder	Share of Capital
89.	PUMA Korea Ltd. [푸마코리아 유한회사]	(South) Korea	Seoul	direct	100%
90.	Stichd Korea Ltd	(South) Korea	Incheon	indirect	100%
91.	PUMA Sports Goods Sdn. Bhd.	Malaysia	Petaling Jaya	indirect	100%
92.	STICHD SOUTHEAST ASIA SDN. BHD.	Malaysia	Kuala Lumpur	indirect	100%
93.	PUMA New Zealand Ltd.	New Zealand	Auckland	indirect	100%
94.	PUMANILA IT SERVICES INC.	Philippines	City of Makati	indirect	100%
95.	PUMA Sports Philippines Inc.	Philippines	City of Makati	indirect	100%
96.	PUMA Sports SEA Trading Pte. Ltd.	Singapore		indirect	100%
97.	PUMA SEA Holding Pte. Ltd.	Singapore		indirect	100%
98.	PUMA Taiwan Sports Ltd. (台灣彪馬股份有限公司)	China (Taiwan)	Taipei	indirect	100%
99.	PUMA Sports (Thailand) Co., Ltd.	Thailand	Bangkok	indirect	100%
100.	World Cat Vietnam Sourcing & Development Services Company Limited (CÔNG TY TNHH DỊCH VỤ PHÁT TRIỂN & NGUỒN CUNG ỨNG WORLD CAT VIỆT NAM)	Vietnam	Ho Chi Minh City	indirect	100%

PUMA Mostro GmbH, PUMA Sprint GmbH, PUMA International Trading GmbH and PUMA Europe GmbH have made use of the exemption provision under Section 264(3) of the German Commercial Code (HGB).



CURRENCY CONVERSION

In general, monetary items in foreign currencies are converted in the individual financial statements of the Group companies at the exchange rate valid on the balance sheet date. Any resulting currency gains and losses are immediately recognized in the income statement. Non-monetary items are converted at historical acquisition and manufacturing cost.

The assets and liabilities of foreign subsidiaries, whose functional currency is not the euro, have been converted to euros at the exchange rates valid on the balance sheet date. Expenses and income have been converted at the annual average exchange rates. Any differences resulting from the currency conversion of net assets relative to exchange rates that had changed in comparison with the previous year were adjusted directly in other comprehensive income.

The significant conversion rates per euro are as follows:

➤ T.10

Currency	2022		2021	
	Reporting date exchange rate	Average exchange rate	Reporting date exchange rate	Average exchange rate
USD	1.0666	1.0530	1.1326	1.1827
CNY	7.3582	7.0788	7.1947	7.6282
JPY	140.6600	138.0274	130.3800	129.8767
GBP	0.8869	0.8528	0.8403	0.8596

In 2022, accounting for hyperinflationary economies was first applied in accordance with IAS 29. In the case of Argentina and Turkey, which are in an environment of hyperinflation, with retroactive effect from January 1, 2022, the carrying amounts of non-monetary assets and liabilities, equity and other comprehensive income were converted into the unit of measurement applicable as of the balance sheet date for the financial year 2022, thereby adjusting them to the price changes. The financial statements are based on the concept of historical acquisition and/or production costs. The exchange rate as of December 31, 2022 was used for translation into the reporting currency, the euro, for all items. In accordance with IAS 21.42, comparative amounts from previous periods do not need to be adjusted.

Gains and losses on the net monetary position are included in the financial result. In the 2022 financial year, gains on the net monetary position amounted to € 0.9 million. This amount also includes interest income from cash and cash equivalents invested, in accordance with IAS 29.28.

As of December 31, 2022, the price index used for Turkey was 1,128.45 (December 31, 2021: 686.95) and is based on the consumer price index. The general price index used for Argentina was 1,134.3 as of December 31, 2022 (December 31, 2021: 582.46).

In the previous year, the effects of the currency area Argentina, which has been in a hyperinflationary environment since 2018, were analyzed in accordance with IAS 29 and IAS 21.42. The application of the aforementioned standards to the PUMA SE consolidated financial statements as of December 31, 2021 would have resulted in an increase in assets of € 20.6 million (mainly property, plant and equipment, intangible assets, deferred tax items and inventories) and an adjustment of equity of € 20.6 million. Furthermore, the operating result (EBIT) would have decreased by € 1.2 million. The effects on the consolidated financial statements were considered insignificant and did not lead to an adjustment in the context of the group accounting.



ACCOUNTING AND VALUATION POLICIES

FINANCIAL INSTRUMENTS

Financial instruments are classified and recognized in accordance with IFRS 9. Acquisitions and disposals of financial assets, with the exception of trade receivables, are initially recognized on the settlement date and are recorded at fair value. Under IFRS 9, the subsequent measurement of financial instruments is carried out according to the classification at "amortized cost" (AC), at "fair value through profit or loss" (FVPL) or at "fair value through other comprehensive income" (FVOCI). The classification is based on two criteria: the Group's business model for asset management and the question of whether the contractual cash flows of the financial instruments represent "exclusively payments of principal and interest" toward the outstanding principal amount.

For investments (equity instruments), IFRS 9 allows a measurement at fair value through other comprehensive income (FVOCI) under certain conditions. If these investments, however, are disposed of or adjusted in value, the gains and losses from these investments which were not realized up to this point are reclassified to retained earnings in accordance with IFRS 9.

DERIVATIVE FINANCIAL INSTRUMENTS/HEDGE ACCOUNTING

In relation to the accounting of hedge relationships, PUMA made use of the option to continue applying the rules of IAS 39 for hedge accounting.

Derivative financial instruments are recognized at fair value at the time a contract is entered into and thereafter. At the time a hedging instrument is concluded, PUMA classifies the derivatives either as hedges of a planned transaction (cash flow hedge accounting) or as hedges of the fair value of a recognized asset or liability (fair value hedge).

At the time when the transaction is concluded, the hedging relationship between the hedging instrument and the underlying transaction as well as the purpose of risk management and the underlying strategy are documented. In addition, assessments as to whether the derivatives used in the hedge accounting compensate effectively for a change in the fair value or the cash flow of the underlying transaction are documented at the beginning of the hedge accounting and continuously thereafter.

Changes in the market value of derivatives that are intended and suitable for cash flow hedges and that prove to be effective are adjusted directly in other comprehensive income, taking into account deferred taxes. If there is no complete effectiveness, the ineffective part is recognized in the income statement. The amounts recognized in other comprehensive income are recognized in the income statement during the same period in which the hedged planned transaction affects the income statement. If, however, a hedged future transaction results in the recognition of a non-financial asset or a liability, gains or losses previously recorded in other comprehensive income are included in the initial measurement of the acquisition costs of the respective asset or liability.

Changes in the fair value of derivatives that qualify for and are designated as fair value hedges are recognized directly in the consolidated income statement, together with changes in the fair value of the underlying transaction attributable to the hedged risk. The changes in the fair value of the derivatives and the change in the underlying transaction attributable to the hedged risk are reported in the consolidated income statement under the item relating to the underlying transaction.

The fair values of the derivative instruments used to hedge planned transactions (cash flow hedge accounting) and to hedge the fair value of a recognized asset or liability (fair value hedge) are shown under Other current and non-current financial assets or liabilities.



LEASES

PUMA has concluded leases exclusively as lessee.

The leases are each identified at an individual contract level. For all leases, PUMA recognizes a right-of-use asset and a respective lease liability, with the exception of short-term leases (defined as leases with a term of no more than 12 months) and low-value lease agreements (with a value of less than € 5,000 at contract conclusion). In the case of a short-term lease or low-value lease, the Group recognizes the lease payments on a straight-line basis over the term of the lease agreement as other operating expense.

In addition, right-of-use assets are not recognized for intangible assets. PUMA has made use of the option and decided not to apply IFRS 16 with regard to leases for intangible assets.

The lease liability at initial recognition is measured at the present value of the not yet paid lease payments at the beginning of the lease agreement. The present value is calculated using the incremental borrowing rate, as the interest rate implicit in the lease is usually not known.

The following lease payments are included in the measurement of the lease liability:

- Fixed lease payments (including in-substance fixed payments), less any incentive payments received;
- Variable lease payments based on an index or rate, initially measured based on the index or rate at the start of the lease agreement; as a result, future adjustments after changes in the index or interest rate remain unrecognized;
- Exercise price of purchase options, if PUMA is sufficiently certain that it will exercise them;
- Expected payments from residual value guarantees; and
- Penalties for the early termination of lease agreements, if PUMA is sufficiently certain that it will exercise this termination option and if this is taken into account when determining the term of the lease agreement.

A number of lease agreements, particularly for real estate properties, contain extension and termination options. When determining agreement terms, all facts and circumstances are taken into account that offer a financial incentive to exercise the extension option or not to exercise the termination option. The changes in the term of a lease due to the exercise or non-exercise of such options are only taken into account for the agreement term if they are sufficiently certain.

The lease liability is recognized as a separate line item on the consolidated balance sheet.

PUMA applies the practical recognition exemption with regard to COVID-19 rent concessions to all rent concessions falling within the scope of this measure. Where the conditions are met, the rent concessions will be represented on the balance sheet as if they were variable lease payments. Consequently, the rent concessions will be recognized in the income statement in the period in which they were granted.

The subsequent measurement of the lease liability is done by increasing the carrying amount by adding the accrued interest of the lease liability (using the effective interest method) and by reducing the carrying amount of the lease liability by the lease payments made. Where COVID-19-related rent concessions involve the exemption from lease payments, the carrying amount of the lease liability is reduced by the exempted lease payments.

If the term of the lease has changed and this is not a COVID-19-related rent concession, or if a material event has led to a change in the assessment relating to the exercise of a purchase option, PUMA will remeasure the lease liability by discounting the adjusted lease payments using an updated interest rate and will adjust the corresponding right-of-use asset accordingly.

If lease payments have changed due to index or interest rate changes or due to a change in the expected payments to be made due to a residual value guarantee, PUMA will remeasure the lease liability by



discounting the adjusted lease payments using an unchanged discount rate. The corresponding right-of-use asset is adjusted accordingly.

If a lease is changed and this is not a COVID-19-related rent concession, and the change in the lease is not recognized as a separate lease, PUMA will remeasure the lease liability based on the lease term for the new lease. As part of this, the changed lease payments are discounted using the updated interest rate at the time the change becomes effective.

The right-of-use assets comprise the respective lease liability as part of initial measurement. Lease installments that are paid before or at the beginning of the lease are added. Lease incentives received from the lessor are deducted and initial direct costs are included. If dismantling obligations exist with regard to the leased assets, they are included in the measurement of the right-of-use assets. The subsequent measurement of the right-of-use assets is at acquisition cost less accumulated depreciation and impairment losses.

The right-of-use assets are generally depreciated over the term of the lease. If the useful life of the asset underlying the lease is shorter, this limits the depreciation period accordingly. Depreciation starts with the commencement of the lease.

Variable lease payments that are not dependent on an index or interest rate are not included in the valuation of the lease liabilities and the right-of-use. These payments are recognized in the income statement as other operating expenses as soon as PUMA has received the underlying benefit. This applies primarily to turnover-based rents for retail stores.

As part of the practical expedient, IFRS 16 permits dispensing with a separation between non-lease components and lease components. With regard to land and buildings, PUMA generally does not apply the practical expedient so that the right-of-use assets relating to land and buildings only contain leasing components. With regard to other right-of-use assets (comprising technical equipment & machines and motor vehicles), the practical expedient is generally applied, the result of which is that the leasing components and non-leasing components are both recognized.

The right-of-use assets are recognized as a separate line item in the consolidated balance sheet.

The rights of use are subject to the impairment regulations pursuant to IAS 36. As a general rule, the right-of-use assets are tested for impairment (impairment test) if there is any indication that the value of the asset could be impaired. The right-of-use assets, in particular in connection with the Group's own retail stores, are subjected to an impairment test if there are indicators or changes in planning assumptions that suggest that the carrying amount of the assets may not be recoverable. To this end, a triggering event test of all retail stores, each of which is a separate cash-generating unit, is carried out after preparation of the annual budget planning or on an ad-hoc basis.

For the purposes of the triggering event test, the recoverable amount of the respective retail stores is determined as a value in use using a simplified discounted cash flow method. The value in use is determined on the basis of the planned cash flows for the retail stores according to the budget, which is prepared on a bottom-up basis and approved by management. The forecast period is derived from the expected useful lives of the respective retail store and is reviewed annually. Following the bottom-up budget, revenue and cost developments are used as a basis for the remaining useful life, the growth rate of which is based on expected nominal retail growth. In the three-year detailed planning period, growth rates in the single-digit percentage range are recorded for all retail stores. In determining the value in use of the retail stores, cash flows in countries without hyperinflation were discounted at a weighted cost of capital rate of between 8.2% and 25.3% (previous year: between 4.7% and 19.7%) and the cash flow of retail stores in the two hyperinflationary countries with a weighted cost of capital rate of between 20.0% and 62.7% (previous year: between 18.0% and 64.4%). This was based on a risk-free interest rate on equivalent term structures of 2.3% (previous year: -0.1%) and a market risk premium of 7.3% (previous year: 7.8%).



If, in the triggering event test, the carrying amount of the retail store assets exceeds the simplified value in use, the recoverable amount of this cash-generating unit is calculated with the discounted cash flow method using the above cost of capital rates. This is based on the individual planning of cash flows for the retail store. If an impairment arises, the right of use is impaired first.

For the retail stores in Russia that have been closed since March 2022, the value in use of the retail stores was determined by applying the expected cash flow approach. The expected cash flow approach allows the use of various probability-weighted scenarios to present the future business development in value in use in Russia. The value in use is compared with the carrying amount of the net assets allocated to the retail store (in particular, right-of-use assets from the lease, tenant fixtures, net working capital and proportionate corporate assets allocated to the central areas).

If there are indications that retail stores for which impairment has been recorded in the past have been able to achieve a turnaround and that their rights of use are recoverable, the impairment is reversed up to a maximum of the amount of amortized costs.

If there is an impairment loss or a reversal of an impairment loss, this is allocated to the central area in the segment reporting under IFRS 8. However, the impaired assets are reported in the relevant operating segments.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and bank balances. This also includes free cash and cash equivalents that are invested as a fixed-term deposit with a term of up to three months. The total amount of cash and cash equivalents is consistent with the cash and cash equivalents stated in the cash flow statement.

Cash and cash equivalents are measured at amortized cost. They are subject to the impairment requirements in accordance with IFRS 9 "Financial Instruments". PUMA monitors the credit risk of these financial instruments taking into account the economic situation, external credit rating and/or premiums for credit default swaps (CDS) of other financial institutions. The credit risk from cash and cash equivalents is classified as immaterial, due to the relatively short terms and the investment-grade credit rating of the counterparty, which signals a low probability of default.

INVENTORIES

The Group procures inventories primarily from third parties and these are reported as goods within inventories. To a small extent, footwear and golf clubs are produced in-house, which are reported as finished goods together with the goods within the inventories.

Inventories are measured at acquisition or manufacturing cost or at the lower net realizable values derived from the net realizable value on the balance sheet date. The acquisition cost of merchandise is determined using an averaging method. Value adjustments are adequately recorded, depending on age, seasonality and realizable market prices.

TRADE RECEIVABLES

Trade receivables are initially measured at the transaction price and subsequently at amortized cost with deduction of value adjustments, in the form of a provision for risks. According to IFRS 15 "Revenue from Contracts with Customers", the transaction price is the amount of consideration expected by the Company, not taking into account the amounts collected on behalf of third parties.

When determining the provision for risks for trade receivables, PUMA uniformly applies the simplified method in order to determine the expected credit losses over the remaining lifetime of the trade receivables (called "lifetime expected credit losses") in accordance with the provisions of IFRS 9 "Financial



Instruments". For this, trade receivables are classified by geographic region into suitable groups with shared credit risk characteristics. The expected credit losses are calculated using a matrix that presents the age structure of the receivables and depicts a likelihood of loss for the individual maturity bands of the receivables on the basis of historic credit loss events and future-based factors. The percentage rates for the loss likelihoods are checked regularly to ensure they are up to date. If objective indications of a credit impairment are found regarding the trade receivables of a certain customer, a detailed analysis of this customer's specific credit risk is conducted and an individual provision for risks is established for the trade receivables with respect to this customer. If a credit insurance is in place, it is taken into account when determining the amount of the risk provision.

The Group assumes that the default risk of a financial asset has increased significantly if it is more than 30 days overdue.

OTHER FINANCIAL ASSETS

Other financial assets are classified based on the business model for control and the cash flows of the financial assets. In the Group, financial assets are generally held under a business model that provides for "holding" the asset until maturity, in order to collect the contractual cash flows. The second condition is that the terms and conditions of the financial asset result in cash flows at specified times, which exclusively represent repayments and interest payments on the outstanding nominal amount.

The "trading" business model is used for financial assets in the form of derivatives without a hedging relationship. These are valued at fair value through profit or loss (FVPL).

Non-current financial assets include rental deposits and other assets. Non-interest-bearing non-current assets are discounted to present value if the resulting effect is significant.

INVESTMENTS

The investment recognized under non-current financial assets belongs to the category "measured at fair value through other comprehensive income" (FVOCI), since these investments are held over the long term for strategic reasons.

All purchases and disposals of investments are recorded on the settlement date. Investments are initially recognized at fair value plus transaction costs. They are also recognized at fair value in subsequent periods. Unrealized gains and losses are recognized in other comprehensive income, taking into account deferred taxes. The gain or loss on disposal of investments is transferred to retained earnings.

The category "measured at fair value through profit or loss" (FVPL) is not used with regard to investments.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are measured at acquisition cost, net of accumulated depreciation. The depreciation period depends on the expected useful life of the respective item. The straight-line method of depreciation is applied. The useful life depends on the type of the assets involved. Buildings are subject to a useful life of between ten and fifty years, and a useful life of between three to ten years is assumed for movable assets.

Repair and maintenance costs are recorded as an expense as of the date on which they were incurred. Substantial improvements and upgrades are capitalized to the extent that the criteria for capitalization of an asset item apply.

GOODWILL

Goodwill resulting from a business combination is calculated based on the difference between the transferred consideration and the Group's share in the fair value of the acquired assets and liabilities.



Goodwill amounts are allocated to the Group's cash-generating units that are expected to benefit from the synergy effects resulting from the business combination.

An impairment test of goodwill per group of cash-generating units (usually the smallest company level at which goodwill is monitored) is performed once a year and whenever there are indicators of impairment, and can result in an impairment loss. There is no reversal of an impairment loss for goodwill. See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

OTHER INTANGIBLE ASSETS

Acquired intangible assets largely consist of concessions, intellectual property rights and similar rights. These are measured at acquisition cost, net of accumulated amortization. The useful life of intangible assets is between three and ten years. Scheduled depreciation is done on a straight-line basis.

If the capitalization requirements of IAS 38.57 "Intangible Assets" are met cumulatively, expenses in the development phase for internally generated intangible assets are capitalized at the time they arise. In subsequent periods, internally generated intangible assets and acquired intangible assets are measured at cost less accumulated amortization and impairment losses. In the Group, internally generated intangible assets are generally depreciated on a straight-line basis over a useful life of 3 years.

There are also trademark rights acquired for a fee in relation to Cobra Golf. Cobra Golf, founded in 1978, has a brand history spanning over 40 years in golf. The Cobra brand represents the core of the Golf business area and is continued through ongoing marketing investments by the PUMA Group in the Cobra brand. Due to the stability of the golf market and the continuation of the brand by PUMA, an indefinite useful life is assumed for the Cobra brand.

IMPAIRMENT OF ASSETS

Intangible assets with an indefinite useful life are not amortized according to schedule but are subjected to an annual impairment test. Property, plant and equipment, right-of-use assets, and other intangible assets with finite useful lives are tested for impairment if there is any indication of impairment in the value of the asset concerned. In order to determine whether there is a requirement to record the impairment of an asset, the recoverable amount of the respective asset (the higher amount of the fair value less costs to sell and value in use) is compared with the carrying amount of the asset. If the recoverable amount is lower than the carrying amount, the difference is recorded as an impairment loss. The test for impairment is performed, if possible, at the level of the respective individual asset, otherwise at the level of the cash-generating unit. Goodwill, on the other hand, is tested for impairment only at the level of a group of cash-generating units. If it is determined within the scope of the impairment test that an asset needs to be impaired, then the goodwill, if any, of the group of cash-generating units is written down initially and, in a second step, the remaining amount is distributed proportionately over the remaining assets within the application scope of IAS 36. If the reason for the recorded impairment no longer applies, a reversal of impairment loss is recorded to the maximum amount of the amortized costs. There is no reversal of an impairment loss for goodwill.

The recoverable amount is primarily calculated using the discounted cash flow method. For determining the fair value less costs to sell and value in use, the expected cash flows are based on corporate planning data. Expected cash flows are discounted using an interest rate in line with market conditions. As part of the fair value determination less cost to sell, no special synergies of cash-generating units are taken into account, and corporate planning data is adjusted to the assumptions of market participants, if required. Moreover, there is a difference between the fair value less costs to sell and the value in use because the costs to sell are also taken into account.

Trademarks with an indefinite useful life are subjected to an impairment test based on the relief from royalty-method during the financial year or when the occasion arises. If there is evidence that the underlying Cobra business is insufficiently profitable, the trademark is not only valued individually using the



relief from royalty-method, but the recoverable amount of the cash-generating units to which the trademark is attributable is determined.

See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

FINANCIAL DEBT, OTHER FINANCIAL LIABILITIES AND OTHER LIABILITIES

In general, these items are recognized at their acquisition cost, taking into account transaction costs, and subsequently recognized at amortized cost. Non-interest or low-interest-bearing liabilities with a term of at least one year are recognized at present value, taking into account an interest rate in line with market conditions, and are compounded until their maturity at their repayment amount.

The "trading" business model is used for financial liabilities in the form of derivatives without a hedge relationship. These are valued at fair value through profit or loss (FVPL).

Current financial liabilities also include those long-term loans that have a maximum residual term of up to one year.

PUMA offers its suppliers a supplier financing program. This is reverse factoring, the financing conditions of which are also linked to the achievement of sustainability targets by the suppliers in most cases. Participation in the program is voluntary for the suppliers and helps them to already pre-finance the supplier invoices to PUMA from one of the partner banks against an interest discount significantly before the customary payment date. PUMA is not affected by the participation of the suppliers in the supplier financing program (in particular no changes to the payment terms, no changes to the payment methods and/or no changes to the original contractual conditions). Accordingly, the liabilities are recognized in the balance sheet as trade payables, and cash outflows are allocated to the cash inflow from operating activities in the cash flow statement.

PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

In addition to defined benefit plans, some companies apply defined contribution plans, which do not result in any additional pension commitment other than the current contributions. The pension provision under defined benefit plans is generally calculated using the projected unit credit method. This method takes into account not only known pension benefits and pension rights accrued as of the reporting date, but also expected future salary and pension increases. The defined benefit obligation (DBO) is calculated by discounting expected future cash outflows at the rate of return on senior, fixed-rate corporate bonds. The currencies and maturity periods of the underlying corporate bonds are consistent with the currencies and maturity periods of the obligations to be satisfied. In some of the plans, the obligation is accompanied by a plan asset. In that case, the pension provision shown is reduced by the plan asset.

Revaluations, consisting of actuarial profits and losses, changes resulting from use of the asset ceiling and return on plan assets (without interest on the net debt) are immediately recorded in other comprehensive income. The revaluations recorded in other comprehensive income are part of the retained earnings and are no longer reclassified into the income statement. Past service costs are recorded as an expense if changes are made to the plan.

Details regarding the assumed life expectancy, the mortality tables used and other assumptions are shown in chapter 15.

OTHER PROVISIONS

Provisions are recognized if the Group, as a result of a past event, has a current obligation and this obligation is likely to result in an outflow of resources with economic benefits, the amount of which can be reliably estimated. The provisions are recognized at their settlement value as determined on the basis of the best possible estimate and are not offset by income. Non-current provisions are discounted.



Provisions for the expected expenses from warranty obligations pursuant to the respective national sales contract laws are recognized at the time of sale of the relevant products, according to the best estimate in relation to the expenditure needed in order to fulfill the Group's obligation.

Provisions are also recognized to account for onerous contracts. An onerous contract is assumed to exist where the unavoidable costs for fulfilling the contract exceed the economic benefit arising from this contract.

TREASURY STOCK

Treasury stock is deducted from equity at its market price as of the date of acquisition, plus incidental acquisition costs. Pursuant to the authorization of the Annual General Meeting, treasury stock can be repurchased for any authorized purpose, including the flexible management of the Company's capital requirements.

MANAGEMENT INCENTIVE PROGRAMS

PUMA uses cash-settled share-based payments, share-based payments settled in cash or equities, and key performance indicator-based long-term incentive programs. The share-based payments settled in cash or equities are accounted for in the same way as cash-settled share-based payments.

For cash-settled share-based payments, a liability is recorded for the services received and measured with its fair value upon recognition. Until the debt is cleared, its fair value is recalculated on every balance sheet date and on the settlement date and all changes to the fair value are recognized in the income statement.

During the three-year term of the respective programs, the medium-term targets of the PUMA Group with regard to sales, operating result (EBIT), cash flow and working capital as a percentage of sales are determined for key performance indicator compensation processes and recognized in the income statement as other provisions along with their respective degree of target achievement.

RECOGNITION OF SALES

The Group recognizes sales from the sale of sporting goods. The sales are measured at fair value of the consideration to which the Group expects to be entitled from the contract with customers, taking into account returns, discounts and rebates. Amounts collected on behalf of third parties (such as VAT) are not included in sales. The Group records sales at the time when PUMA fulfills its performance obligation to customers and has transferred the right of disposal over the product to customers.

The Group sells footwear, apparel and accessories both to wholesalers and directly to customers through its own retail activities and online sales channels. Meanwhile, the sales-related warranty services cannot be purchased separately and do not lead to services that go beyond the assurance of the specifications at the time of the transfer of risk. Accordingly, the Group records warranties in the balance sheet in accordance with IAS 37 "Provisions, contingent liabilities and contingent assets."

In the case of sales of products to wholesalers, the sales revenue is recorded at the date on which the right of disposal over the products is transferred to customers, in other words, when the products have been shipped to the specific location of the wholesaler (delivery). After delivery, the wholesaler bears the inventory risk and has full right of disposal over the manner and means of distribution and the selling price of the products. In the case of sales to end customers in the Group's own retail stores, the sales are recorded at the date when the right of disposal over the products is transferred to the end customer, in other words, the date on which the end customer buys the products in the retail store. The payment of the purchase price is due as soon as the customers purchase the products. In the case of sales of goods through our own online sales channels, sales are realized when the end customers have accepted the goods and the power of disposal over the goods has been passed to the end customer. The payment terms applied correspond to the standard industry payment terms for each country.



Under certain conditions and according to the contractual stipulations, customers have the option to exchange products or return them for a credit. The amount of the expected returns is estimated on the basis of past experience and is deducted from sales in the form of a liability based on refund obligations. The asset value of the right arising from the product return claim is recorded under inventories and leads to a corresponding reduction of cost of sales.

ROYALTY AND COMMISSION INCOME

The Group records royalty and commission income from the licensing of trademark rights to third parties. Income from royalties is recognized in the income statement in accordance with the invoices to be submitted by the licensees. In certain cases, values must be estimated in order to permit accounting on an accrual basis. Commission income is invoiced if the underlying purchase transaction is classified as realized.

ADVERTISING AND PROMOTIONAL EXPENSES

Advertising expenses are recognized in the income statement at the time they are incurred. In general, promotional expenses stretching over several years are recognized as an expense over the contractual term on an accrual basis. Any expenditure surplus exceeding the economic benefit that results from this allocation of expenses after the balance sheet date is recognized in the financial statements in the form of an impairment of assets and, if necessary, a provision for anticipated losses. If promotional and advertising contracts provide for additional payments when predefined targets are achieved (e.g. medals, championships), which cannot be predicted exactly in terms of time and amount, they are recorded in full in profit or loss at the relevant time.

PRODUCT DEVELOPMENT

PUMA continuously develops new products in order to meet market requirements and market changes. Research costs are expensed in full at the time they are incurred. Development costs are also recognized as an expense when they do not meet the recognition criteria of IAS 38 "Intangible Assets."

GOVERNMENT GRANTS

Starting in the financial year 2020, PUMA has received government grants related to income on a global level as a result of the COVID-19 pandemic; these have then been deducted from the corresponding expenses in the income statement. Grants are received via country-specific, one-off emergency aid schemes relating to the global COVID-19 pandemic and via country-specific short-time work programs, provided that they meet the requirements of IAS 20 and other comparable measures.

Pursuant to IAS 20.7, government grants related to income are recognized when there is reasonable assurance that the entity will comply with the conditions attached to them and the grants will be received.

FINANCIAL RESULT

The financial result includes interest income from financial investments and interest expenses from loans, along with interest income and expenses in connection with derivative financial instruments. Financial results also include interest expenses from lease liabilities as well as discounted, non-current liabilities associated with acquisitions and those arising from the measurement of pension commitments.

Exchange rate effects that can be directly allocated to an underlying transaction are shown in the respective income statement item.



INCOME TAXES

Current income taxes are determined in accordance with the tax regulations of the respective countries where the individual Group companies conduct their operations.

PUMA management regularly assesses individual tax issues to determine whether there is scope for interpretation in view of existing tax regulations. If appropriate, these issues are taken into account in income tax liabilities or deferred taxes. The income tax assessment is generally carried out at the level of the individual case, taking into account any possible interactions. Appropriate balance sheet provisions have been made for potential risks from uncertain tax positions, taking into account IFRIC 23. Depending on which value best reflects the expectation, the most likely value or the expected value is used for the valuation.

DEFERRED TAXES

Deferred taxes resulting from temporary valuation differences between the IFRS and tax balance sheets of individual Group companies and from consolidation procedures, which are levied by the same taxation authority and can be netted, are charged to each taxable entity and recognized either as deferred tax assets or deferred tax liabilities.

With regard to the leases that were capitalized, the tax deduction potential is allocated to the respective right-of-use asset. If temporary differences arise during subsequent valuation from a netting perspective of right-of-use asset and lease liability, deferred tax items will be created, provided the requirements under IAS 12 are met.

Deferred tax assets may also include claims for tax reductions that result from the expected utilization of existing losses carried forward to subsequent years and which is likely to materialize. Deferred tax assets or liabilities may also result from accounting treatments that do not affect the income statement. Deferred taxes are calculated on the basis of the tax rates that apply to the reversal in the individual countries and that are in force or adopted as of the balance sheet date.

Deferred tax assets are recognized only to the extent that the respective tax advantage is likely to materialize. Deferred tax assets are not recognized if they do not meet this criterion on the basis of the past results of operations and the business expectations for the foreseeable future.

UNCERTAINTY OF ESTIMATES

The preparation of the consolidated financial statements requires some assumptions and estimates that have an impact on the measurement and presentation of the recognized assets and liabilities, income and expenses, and contingent liabilities. The assumptions and estimates are based on premises, which in turn are based on currently available information. In individual cases, the actual values may deviate from the assumptions and estimates made. Consequently, future periods involve a risk of adjustment to the carrying amount of the assets and liabilities concerned. If the actual development differs from the expectation, the premises and, if necessary, the carrying amounts of the relevant assets and liabilities are adjusted with an effect on profit or loss.

All assumptions and estimates are continuously reassessed. They are based on historical experiences and other factors, including expectations regarding future global and industry-related trends that appear reasonable under the current circumstances. PUMA applies scenarios that assume that the situation created by the COVID-19 pandemic will not be long term. Accordingly, PUMA does not expect that the impact on the consolidated financial statements will be significant or serious. Assumptions and estimates mainly relate to the valuation of goodwill and trademarks, inventories, liabilities from refund obligations, taxes and leases. The most significant forward-looking assumptions and sources of estimation and uncertainty as of the reporting date concerning the above-mentioned items are discussed below.

**Goodwill and Brands**

A review of the impairment of goodwill is based on the calculation of the value in use as a leading valuation concept. In order to calculate the value in use, the Group must estimate the future cash flows from those cash-generating units to which the goodwill is allocated. To this end, the data used were from the three-year plan, which is based on forecasts of the overall economic development and the resulting industry-specific consumer behavior. As it is currently difficult to predict what the global consequences of the COVID-19 pandemic will be in the short and medium term, these assumptions and estimates are generally subject to increased uncertainty. However, it is assumed that the global economy will gradually return to normal in 2023 due to the availability of vaccines against COVID-19 and the progress made with immunizing large parts of the population in PUMA's key markets. Another key assumption concerns the determination of an appropriate interest rate for discounting the cash flow to present value (discounted cash flow method). The relief from royalty-method is used to value brands. See chapter 11 for further details, in particular regarding the assumptions used for the calculation.

Inventories

Inventories are measured at acquisition or manufacturing cost or at the lower net realizable values derived from the selling price at the balance sheet date. Value adjustments are adequately recorded, depending on age, seasonality and realizable market prices. Further details on the inventory valuation are provided in chapter 4.

Liabilities from refund obligations

The Group recognizes sales from the sale of sporting goods. The sales are measured at fair value of the consideration to which the Group expects to be entitled from the contract with customers, taking into account returns, discounts and rebates. As customers have the opportunity to exchange goods under certain conditions and in accordance with the contractual agreements, the amount of expected return deliveries is estimated on the basis of experience. The accrual of sales takes place via the liability from refund obligations. See chapter 13 for further information.

Taxes

Tax items are determined taking into account the various prevailing local tax laws and the relevant administrative opinions and, due to their complexity, may be subject to different interpretations by persons subject to tax on the one hand and the tax authorities on the other hand. Differing interpretations of tax laws may result in subsequent tax payments for past years; these are included based on the assessment of the management, using the most probable amount or the expected value for the individual case.

The recognition of deferred taxes requires that estimates and assumptions be made concerning future tax planning strategies as well as expected dates of occurrence and the amount of future taxable income. The taxable income from the relevant corporate planning is derived for this assessment. It takes into account the past financial position and the business development expected in the future. Due to the currently difficult to predict short- and medium-term consequences of the global COVID-19 pandemic, these assumptions and estimates are generally subject to increased uncertainty. Deferred tax assets are recorded in the event of companies incurring a loss only if it is highly probable that future positive results will be achieved. See chapter 8 for further information and details about assumptions.

Leases

The measurement of the lease liabilities is based on assumptions for the discount rates used, the lease term and the determination of fixed lease payments. To determine the present value of future minimum lease payments, PUMA uses country- and currency-specific interest rates on borrowings with compatible terms. In addition to the basic lease period, the Group includes extension options in the determination of the lease term if management is sufficiently certain that such an option will be exercised after taking into account all facts and circumstances. The fixed lease payments also include firmly agreed upon minimum amounts for agreements with a predominantly variable lease amount.



DISCRETIONARY DECISIONS

The preparation of the consolidated financial statements requires discretionary decisions relating to the application of accounting methods and the amounts of assets, liabilities, income and expenses reported. Information on the application of accounting policies that have the most material impact on the amounts recorded in the financial statements can be found in the following notes:

Evaluation of the control of companies with non-controlling interests

The determination as to whether the Group controls the companies with non-controlling interests is presented in chapter 28 Information on non-controlling interests.

Currency conversion in the case of hyperinflation

The option to adjust the previous year's comparative figures was exercised such that no adjustment was made to the comparative figures for the previous year. The disclosures are included in chapter 2 Significant consolidation and accounting and valuation principles in the currency translation section.

Leases

The accounting for leases includes discretionary decisions, in particular in relation to the term of the lease agreements with regard to determining whether the exercise of extension options is sufficiently certain.

Some real estate leases contain extension options that can only be exercised by PUMA and not by the lessor. If possible, the Group seeks to include extension options when concluding new leases in order to ensure operational flexibility. On the date of provision, the Group assesses whether it is sufficiently certain that the extension options will be exercised. The assessment is carried out individually for each contract and takes into account the amount of the company's own investments and the possibility of changing macroeconomic conditions in the future. If significant events or significant changes occur during the term of the contract that are within PUMA's control, it will be reassessed as to whether it is sufficiently certain that the extension option will be exercised.

Significant discretionary decisions are made in the subsequent valuation of rights of use for retail stores in the context of assessing the existence of an impairment and determining the impairment requirement. Among other things, assumptions are made about the duration of the lease, the future economic development and profitability of the retail stores, and also the underlying interest rate. In determining the value in use as part of the impairment test for the retail stores in Russia, assumptions were made in particular about the occurrence of different scenarios and their probability of occurrence.



NOTES TO THE CONSOLIDATED BALANCE SHEET

3. CASH AND CASH EQUIVALENTS

As of December 31, 2022, the Group has € 463.1 million (previous year: € 757.5 million) in cash and cash equivalents. This includes bank balances, including short-term financial investments with an original term of up to three months. The average effective interest rate of financial investments was 1.7% (previous year: 1.5%) for countries without hyperinflation. The average effective interest rate of financial investments was 33.4% in countries with hyperinflation. Due to currency exchange controls, transfer restrictions of € 93.3 million were placed on the cash and cash equivalents reported.

4. INVENTORIES

Inventories are allocated to the following main groups:

➤ T.11 (€ million)

	2022	2021
Goods/inventory and finished goods		
Footwear	750.2	356.2
Apparel	519.0	325.5
Accessories/Other	266.4	154.9
Raw materials, consumables and supplies	46.8	30.2
Prepayments made	3.2	25.9
Goods in transit	592.6	535.6
Inventory adjustments related to returns	66.9	64.0
Total	2,245.1	1,492.2

The raw materials, consumables and supplies mainly relate to raw materials for the production of golf clubs and footwear.

The table shows the carrying amounts of the inventories net of value adjustments. Of the value adjustments in the amount of € 217.0 million (previous year: € 169.3 million), approx. 67.5% (previous year approx. 58.1%) were recognized as an expense under cost of sales in the financial year 2022.

The volume of inventories recorded as an expense during the period mainly includes the cost of sales shown in the consolidated income statement.

The inventory adjustments related to returns represents the historical acquisition or production costs of the inventories for which a return is expected.



5. TRADE RECEIVABLES

This item consists of:

➤ T.12 (€ million)

	2022	2021
Trade receivables, gross	1,122.8	906.7
Less provision for risks	-57.9	-58.7
Trade receivables, net	1,064.9	848.0

The change in the provision for risks for financial assets in the “trade receivables” class measured at amortized cost relates to receivables in connection with revenues from contracts with customers and has developed as follows:

➤ T.13 (€ million)

	2022	2021
Status of provision for risks as of January 1	58.7	61.9
Exchange rate differences	0.4	1.5
Additions	20.3	11.8
Utilization	-5.6	-4.9
Reversals of unused provision for risks	-15.8	-11.5
Status of provision for risks as of December 31	57.9	58.7

The age structure of the trade receivables is as follows:

➤ T.14 (€ million)

2022	Total	Not due	0-30 days	31-90 days	91-180 days	Over 180 days
Gross carrying amount – Trade receivables	1,122.8	986.7	58.5	26.4	11.6	39.7
Provision for risks	57.9	21.2	3.7	2.7	2.7	27.6
Net carrying amount – Trade receivables	1,064.9	965.5	54.8	23.7	8.9	12.1
Expected loss rate		2.1%	6.3%	10.2%	23.6%	69.6%



➤ T.15 (€ million)

2021	Total	Not due	0-30 days	31-90 days	91-180 days	Over 180 days
Gross carrying amount – Trade receivables	906.7	771.5	63.6	19.0	14.5	38.0
Provision for risks	58.7	18.6	3.2	1.2	4.4	31.4
Net carrying amount – Trade receivables	848.0	752.9	60.6	17.9	10.1	6.6
Expected loss rate		2.4%	5.0%	6.1%	30.5%	82.6%

With respect to the net carrying amount of trade receivables, PUMA assumes that the debtors will satisfy their payment obligations or that, in the event of a default, the net carrying amount will be covered by existing credit insurance. There are no significant risk concentrations as the customer base is very broad and there are no correlations.

6. OTHER CURRENT FINANCIAL ASSETS

This item consists of:

➤ T.16 (€ million)

	2022	2021
Fair value of derivative financial instruments	115.9	123.2
Other financial assets	21.6	30.2
Total	137.4	153.4

The amount shown is due within one year. The fair value corresponds to the carrying amount.



7. OTHER CURRENT ASSETS

This item consists of:

➤ T.17 (€ million)

	2022	2021
Prepaid expense relating to the subsequent period	86.2	90.2
Other receivables	149.8	110.7
Total	235.9	200.9

The amount shown is due within one year. The fair value corresponds to the carrying amount.

Other receivables mainly comprise receivables relating to VAT of € 97.9 million (previous year: € 55.4 million) and Other taxes of € 30.3 million (previous year: € 21.3 million).

8. DEFERRED TAXES

Deferred taxes relate to the items shown below:

➤ T.18 (€ million)

	2022	2021
Tax loss carryforwards	57.5	74.1
Non-current assets	37.6	51.4
Current assets	104.3	76.8
Provisions and other liabilities	171.0	109.5
Deferred tax assets (before netting)	370.5	311.8
Non-current assets	75.9	62.6
Current assets	37.6	11.9
Provisions and other liabilities	4.0	6.3
Deferred tax liabilities (before netting)	117.4	80.7
Deferred tax assets, net	253.1	231.1

As of December 31, 2022, tax losses carried forward amounted to a total of € 407.7 million (previous year: € 489.4 million). Deferred tax assets were recognized for these items in the amount at which the associated tax advantages are likely to be realized in the form of future profits for income tax purposes. In the financial year 2022, no deferred tax items were recognized for the losses carried forward in the amount of € 140.5 million (previous year: € 164.4 million); of which, € 135.2 million (previous year: € 158.3 million) cannot expire, of which, however, € 47.0 million (previous year: € 47.4 million) will never be utilizable due to a lack of future profits. The remaining tax losses carried forward, for which no deferred tax items were recognized, in the amount of € 5.3 million (previous year: € 6.2 million) will expire within the next six years.

In addition, no deferred tax items were recognized for temporary differences in the amount of € 22.6 million (previous year: € 28.1 million) because they were not expected to be realized as of the balance sheet date.



For Group companies that achieved a negative tax result in this or the previous financial year, a total of deferred tax assets in the amount of € 70.0 million were recognized after deduction of any deferred tax liabilities (previous year: € 49.9 million) as sufficiently positive tax results can be expected in the future on the basis of the relevant projections.

No deferred taxes on retained profits at subsidiaries were recognized where these gains are to be reinvested on an ongoing basis and there is no intention to make a distribution in this respect.

Deferred tax assets and liabilities are netted if they relate to a taxable entity and can in fact be netted. Accordingly, they are shown in the balance sheet as follows:

➤ T.19 (€ million)

	2022	2021
Deferred tax assets	295.0	279.9
Deferred tax liabilities	42.0	48.8
Deferred tax assets, net	253.1	231.1

The changes in deferred tax assets (net) were as follows:

➤ T.20 (€ million)

	2022	2021
Deferred tax assets, net as of January 1	231.1	236.9
Recognition in the income statement	25.1	-2.7
Adjustment related to remeasurements of the net defined benefit liability, recognized in other comprehensive income	-2.5	0.3
Adjustment related to the market value of currency hedging contracts, recognized in other comprehensive income	-0.7	-9.2
Currency exchange effects	0.0	5.8
Deferred tax assets, net as of December 31	253.1	231.1



9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at their carrying amounts consist of:

➤ T.21 (€ million)

	2022	2021
Land and buildings, including buildings on third-party land	120.7	121.6
Technical equipment and machines	133.5	125.7
Other equipment, factory and office equipment	263.1	183.0
Payments on account and assets under construction	75.0	42.1
Total	592.2	472.4

The carrying amount of property, plant and equipment is derived from the acquisition costs. Accumulated depreciation of property, plant and equipment amounted to € 535.2 million (previous year: € 457.6 million).

The changes in property, plant and equipment in the financial year 2022 are shown in “Changes in Fixed Assets” in Appendix 1 to the notes of the consolidated financial statements.

10. LEASES

The Group rents and leases offices, warehouses, facilities, technical equipment and machinery, motor vehicles and sales rooms for its own retail business. As a rule, the lease agreements have a term of between one and fifteen years. Some agreements include options to renew and price adjustment clauses.

The carrying amounts for **right-of-use assets** recognized on the balance sheet relate to the following asset classes:

➤ T.22 (€ million)

	2022	2021
Land and buildings – Retail stores	430.9	382.9
Real Estate – Warehouses & offices	613.1	505.8
Others (Technical equipment & machines and motor vehicles)	67.3	51.9
Total	1,111.3	940.5

The changes in right-of-use assets in the financial year 2022 are shown in “Changes in Fixed Assets” in Appendix 1 to the notes to the consolidated financial statements.



The following **lease liabilities** result:

➤ T.23 (€ million)

	2022	2021
Current lease liabilities	200.2	172.3
Non-current lease liabilities	1,030.3	851.0
Total	1,230.4	1,023.4

The amounts recognized in the income statement are as follows:

➤ T.24 (€ million)

	2022	2021
Depreciation of right-of-use assets (incl. impairment losses) (included in operating expenses)	228.1	194.7
Profit (-)/loss (+) from disposal/revaluation	-0.9	-1.0
Interest expense (included in financial expenses)	38.6	31.5
Short-term leases (included in operating expenses)	10.1	6.3
Leases of low-value assets (included in operating expenses)	1.0	0.7
Variable lease payments (included in operating expenses)	29.7	24.5
Total	306.8	256.7

Variable lease payments are incurred in connection with the Group's own retail stores. These are based on the sales amount and are therefore dependent on the overall economic development.

As a result of the COVID-19 pandemic, PUMA was exempted—by agreement with the lessors—from rent payments of € 1.8 million (previous year: € 7.1 million), which were recognized as variable lease payments in the income statement.

Due to reduced earnings prospects based on updated financial planning and estimates as well as retail store closures, impairment expenses in the amount of € 25.4 million were recorded for the right of use of assets in connection with PUMA's own retail stores in the 2022 financial year (previous year: € 18.5 million). To determine the impairment, the recoverable amount was calculated for the individual retail stores. This amounted to € 111.4 million for impaired retail stores (previous year: € 79.6 million). As in the previous year, no impairments were reversed. There were no impairments to the other categories of right-of-use assets.

Total cash outflows from lease liabilities in 2022 amounted to € 228.7 million (previous year: € 192.4 million).

In 2022, PUMA entered into lease agreements that had not yet commenced by year-end. As a result, no lease liabilities and corresponding right-of-use assets had been recognized as of December 31, 2022. Future lease payments in connection with these agreements amount to € 2.6 million (previous year: € 2.4 million) for the next year, € 13.7 million for years two to five (previous year: € 14.3 million) and



€ 8.7 million for the subsequent period (previous year: € 6.4 million). The lease terms for these are up to 10 years.

The maturity analysis of lease liabilities is as follows:

➤ T.25 (€ million)

	2022	2021
Residual term of:		
up to 2 years	234.0	197.3
from 2 to 5 years	665.3	545.7
more than 5 years	541.2	432.4
Total (undiscounted)	1,440.6	1,175.4
Interests	-210.2	-152.0
Total	1,230.4	1,023.4

11. INTANGIBLE ASSETS

Intangible Assets mainly include goodwill, intangible assets with indefinite useful lives (e.g. brands), assets associated with the Company's own retail activities and software licenses.

Goodwill and intangible assets with indefinite useful lives are not amortized according to schedule. Impairment tests with regard to goodwill were performed in the past financial year using the discounted cash flow method. The data from the three-year plan for the respective cash-generating unit or group of cash-generating units was used as a basis for this. Planning on the level of the cash-generating units was thereby derived from the PUMA Group's three-year plan. The following key assumptions have been made for the PUMA Group plans:

The central assumptions applied in Group-level planning in relation to macroeconomic developments are that the global economy will gradually return to normal in 2023 due to the availability of vaccines against COVID-19 and the progress made with immunizing large parts of the population in PUMA's key markets. On this basis, and assuming that COVID-19 will not have a long-term negative impact on the global economy, further sales growth and a further improved EBIT margin are expected in subsequent financial years.

Alongside the normalization of business activities, planned sales growth is based on the good future growth prospects in the sporting goods industry and on market share gains by PUMA. This is to be achieved, in particular, via the continued consistent implementation of the Forever Faster corporate strategy and the increase in PUMA's brand heat.

The improvement in EBIT margin in the planning period is the result of a slight increase in gross profit margin due to, for example, a higher share of own retail sales as a result of above-average growth of the e-commerce distribution channel. Furthermore, the slightly weaker percentage increase of other operating income and expenses compared to sales growth is also expected to contribute to the improvement of the EBIT margin; for example, the operating requirements for planned sales growth over the coming years have essentially been met, meaning that economies of scale can be realized.

The planning of investments and working capital is based on historical experience and is carried out in accordance with strategic objectives.



The future tax payments are based on current tax rates in the respective country.

For periods beyond the three-year plan, an annual growth rate is determined and used to forecast future cash flows beyond the three-year period. The assumed growth rate is based on long-term expectations of inflation rates and may not exceed the long-term average growth rates for the business area in which the respective cash-generating unit, or group of cash-generating units, operates.

The recoverable amount for the respective cash-generating unit or group of cash-generating units was determined on the basis of the value-in-use. This did not result in impairment losses for any cash-generating units.

In connection with the Golf business unit (CPG – Cobra PUMA Golf), the Cobra brand exists as an intangible asset with an indefinite useful life amounting to € 133.4 million (previous year: € 125.6 million). The carrying amount of the Cobra brand is significant in comparison to the overall carrying amount of the intangible assets with an indefinite useful life. It was assigned to the North America business segment, where the headquarters of Cobra PUMA Golf is located. The recoverable amount of the Cobra brand was determined using the relief from royalty-method (level 3 – see explanation in chapter 14). A discount rate of 9.4% p.a. (previous year: 7.4% p.a.), a royalty rate of 8.0% (previous year: 8.0%) and a sustainable 2.0% growth rate (previous year: 1.7%) was used. The management's key assumptions about sales growth and improvement in the EBIT margin in Cobra's or CPG's three-year plan are essentially in line with the fundamental assumptions in the plans at Group level.

If there is evidence that the underlying Cobra business is insufficiently profitable, the trademark is not only valued individually using the relief from royalty-method, but the recoverable amount of the cash-generating units to which the trademark is attributable is determined. In 2022, there were no indications of an impairment.

In the financial year, development costs in connection with Cobra brand golf clubs amounting to € 1.9 million (previous year: € 1.7 million) were capitalized. Development costs are allocated to the item Other Intangible Assets in "Changes in Fixed Assets." Current amortization of development costs amounted to € 1.9 million in the financial year (previous year: € 1.1 million).

The changes in intangible assets in the financial year are shown in "Changes in Fixed Assets" of Appendix 1 to the notes to the consolidated financial statements. The item other intangible assets includes advance payments in the amount of € 5.6 million (previous year: € 5.7 million).

The current amortization of intangible assets in the amount of € 36.3 million (previous year: € 27.8 million) is included in the other operating expenses. Of this, € 7.7 million relate to sales and distribution expenses (previous year: € 5.8 million), € 0.1 million to expenses for product management/ merchandising (previous year: € 0.1 million), € 1.9 million to development expenses (previous year: € 1.1 million), and € 26.5 million to administrative and general expenses (previous year: € 20.8 million). There were no impairment expenses exceeding current depreciation (previous year: € 0.0 million).



Goodwill is allocated to the Group's identifiable groups of cash-generating units (CGUs) according to the countries where the activities are carried out. Summarized by regions, goodwill is allocated as follows:

➤ T.26 (€ million)

	2022	2021
PUMA UK	1.6	1.7
Genesis	6.9	7.3
Subtotal Europe	8.5	9.0
PUMA Canada	9.9	9.9
PUMA United	2.1	1.9
Subtotal North America	11.9	11.8
PUMA Argentina	16.4	15.4
PUMA Chile	0.5	0.5
PUMA Mexico	10.9	9.8
Subtotal Latin America	27.8	25.7
PUMA China	2.5	2.5
PUMA Taiwan	13.7	14.3
Subtotal Greater China	16.2	16.8
PUMA Japan	38.9	42.0
Subtotal Asia/Pacific (excluding Greater China)	38.9	42.0
stichd	139.4	139.4
Total	242.7	244.7

Assumptions used in conducting the impairment tests in 2022:

➤ T.27

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
Europe	19.0%	12.3%-12.4%	10.4%
North America*	26.2%	11.8%	9.1%
Latin America	27.0%-34.9%	14.8%-65.4%	11.2%-58.3%
Greater China	20.0%-25.0%	12.1%-13.5%	10.0%-10.6%
Asia/ Pacific (excluding Greater China) *	38.1%	14.3%	9.4%
stichd*	25.0%	12.0%	9.4%

* The information for North America, Asia/Pacific (excluding Greater China) and stichd relates in each case to only one cash-generating unit (CGU)



The tax rates used for the impairment test correspond to the actual tax rates in the respective countries. The weighted average cost of capital (WACC) was derived on the basis of the weighted average cost of total capital, taking into account a standard market capital structure (ratio of debt to equity) and including the most important listed competitors (peer group).

In addition, a growth rate of 2.0% (previous year: 1.7%) is generally assumed. A growth rate of less than 2.0% (previous year: less than 1.7%) was applied only in justified exceptional cases, where the long-term expectations on inflation rate for the country in which the cash-generating unit operates were lower than the assumed growth rate; this applies, in particular, to Japan, Taiwan and Canada.

The cash-generating unit stichd includes goodwill of € 139.4 million (previous year: € 139.4 million), which is significant in comparison to the overall carrying amount of goodwill. The recoverable amount was determined by a value-in-use calculation with a discount rate of 9.4% p.a. (previous year: 7.1% p.a.) and a growth rate of 2.0% (previous year: 1.7%). The three-year plan of stichd shows sales growth in the high single-digit percentage range. In the three-year plan for stichd, a lower improvement in the EBIT margin is expected compared to the Group, as the EBIT margin of stichd is already higher than for the Group as a whole.

The cash-generating unit PUMA Japan includes goodwill of € 38.9 million (previous year: € 42.0 million), which is significant in comparison to the overall carrying amount of goodwill. The recoverable amount was determined by a value-in-use calculation with a discount rate of 9.4% p.a. (previous year: 7.1% p.a.) and a growth rate of 1.0% (previous year: 1.2%). PUMA Japan's three-year plan shows sales growth in the low double-digit percentage range. PUMA Japan's three-year plan shows that the company expects a strong improvement of the EBIT margin and a return to the historical profitability level of PUMA Japan.

The following table contains the assumptions for the performance of the impairment test in the previous year:

➤ T.28

	Tax rate (range)	WACC before tax (range)	WACC after tax (range)
Europe	19.0%	8.9%-9.0%	7.6%
North America*	26.2%	9.4%	7.3%
Latin America	27.0%-30.0%	11.5%-40.9%	8.8%-54.4%
Greater China	20.0%-25.0%	7.8%-10.3%	6.4%-8.1%
Asia/ Pacific (excluding Greater China) *	31.8%	9.8%	7.1%
stichd*	25.0%	9.0%	7.1%

* The information for North America, Asia/Pacific (excluding Greater China) and stichd relates in each case to only one cash-generating unit (CGU)



12. OTHER NON-CURRENT ASSETS

Other non-current financial and non-financial assets consist of:

➤ T.29 (€ million)

	2022	2021
Investments	21.7	25.2
Fair value of derivative financial instruments	2.5	6.8
Other financial assets	34.2	32.6
Total of other non-current financial assets	58.4	64.6
Other non-current non-financial assets	8.8	9.1
Other non-current assets, total	67.2	73.7

The investments relate to the 5.32% shareholding in Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien (BVB) with registered office in Dortmund, Germany. According to the audited IFRS consolidated financial statements 2021/2022 of Borussia Dortmund GmbH & Co. Kommanditgesellschaft auf Aktien, equity as of June 30, 2022 amounted to € 280.5 million and the result of the last financial year was € -35.1 million.

The other financial assets mainly include rental deposits of € 29.8 million (previous year: € 30.5 million). The other non-current non-financial assets mainly include accruals and deferrals in connection with promotional and advertising agreements.



13. LIABILITIES

The residual terms of liabilities are as follows:

➤ T.30 (€ million)

	2022				2021			
	Total	Residual term of			Total	Residual term of		
		up to 1 year	1 to 5 years	over 5 years		up to 1 year	1 to 5 years	over 5 years
Financial liabilities	327.4	75.9	251.5		380.0	68.5	311.5	
Trade payables	1,734.9	1,734.9			1,176.4	1,176.4		
Other liabilities *								
Liabilities from other taxes	82.6	82.6			54.0	54.0		
Liabilities relating to social security	10.0	10.0			8.5	8.5		
Payables to employees	137.2	137.2			127.4	127.4		
Liabilities from refund obligations	373.9	373.9			351.2	351.2		
Liabilities from derivative financial instruments	52.4	39.5	12.9		44.5	42.4	2.1	
Other liabilities	54.0	51.7	2.0	0.3	31.5	29.9	1.1	0.5
Total	2,772.5	2,505.8	266.3	0.3	2,173.7	1,858.4	314.8	0.5

* The maturity analysis on lease liabilities is presented in chapter 10.

The liabilities from refund obligations result from contracts with customers and essentially comprise obligations from customer return rights.

As of December 31, 2022, € 67.5 million (previous year: € 136.0 million) of the financial liabilities were subject to variable interest.



14. FINANCIAL INSTRUMENTS

Additional Disclosures on Financial Instruments

➤ T.31 (€ million)

	Measurement categories under IFRS 9	Carrying amount 2022	Fair value 2022	Level 1	Level 2	Level 3	Carrying amount 2021	Fair value 2021	Level 1	Level 2	Level 3
Assets											
Cash and cash equivalents	¹⁾ AC	463.1					757.5				
Trade receivables	AC	1,064.9					848.0				
Other Current Financial Assets											
Derivatives with a hedging relationship	n.a.	56.1	56.1		56.1		105.3	105.3		105.3	
Derivatives without hedging relationship	²⁾ FVPL	59.8	59.8		59.8		17.9	17.9		17.9	
Remaining current financial assets	AC	21.6					30.2				
Other non-current financial assets											
Derivatives with a hedging relationship	n.a.	2.5	2.5		2.5		6.8	6.8		6.8	
Investments	³⁾ FVOCI	21.7	21.7	21.7			25.2	25.2	25.2		
Remaining non-current financial assets	AC	34.2					32.6				
Liabilities											
Current financial liabilities											
Bank liabilities	AC	15.9					0.0				
Promissory note loans	AC	60.0	59.3		59.3		68.5	68.5		68.5	
Trade payables	AC	1,734.9					1,176.4				
Current lease liabilities	n.a.	200.2					172.3				



	Measurement categories under IFRS 9	Carrying amount 2022	Fair value 2022	Level 1	Level 2	Level 3	Carrying amount 2021	Fair value 2021	Level 1	Level 2	Level 3
Other current financial liabilities											
Derivatives with a hedging relationship	n.a.	23.6	23.6		23.6		30.0	30.0		30.0	
Derivatives without hedging relationship	² FVPL	15.9	15.9		15.9		12.3	12.3		12.3	
Remaining current financial liabilities	AC	36.5					22.1				
Non-current lease liabilities	n.a.	1,030.3					851.0				
Other non-current financial liabilities											
Non-current financial liabilities (promissory note loans)	AC	251.5	239.5		239.5		311.5	311.5		311.5	
Derivatives with a hedging relationship	n.a.	12.9	12.9		12.9		2.1	2.1		2.1	
Remaining non-current financial liabilities	AC	1.0					0.4				
Total financial assets at amortized cost		1,583.8					1,668.3				
Total financial liabilities at amortized cost		2,099.8					1,578.9				
Total financial assets at fair value through profit or loss		59.8					17.9				
Total financial liabilities at fair value		15.9					12.3				
Total financial assets at fair value through other comprehensive income		21.7					25.2				

1) AC = at amortized cost

2) FVPL = fair value through PL

3) FVOCI (fair value through OCI) = equity instruments at fair value through other comprehensive income



Financial instruments that are measured at fair value in the balance sheet were determined using the following hierarchy:

Level 1: Use of prices quoted on active markets for identical assets or liabilities.

Level 2: Use of input factors that do not involve the quoted prices stated under level 1, but can be observed for the asset or liability either directly (i.e., as the price) or indirectly (i.e., derived from the price).

Level 3: Use of factors for the valuation of the asset or liability that are based on non-observable market data.

Reclassification between different levels of the fair value hierarchy are recorded at the end of the reporting period in which the change occurred.

The fair value of the investments held for strategic reasons only refers to equity instruments of the category "fair value through OCI" (FVOCI) and is determined on the basis of level 1. The fair value of the derivative assets and liabilities as well as the fair value of the promissory note loans were determined in accordance with level 2.



The following table shows the measurement techniques used for determining level 2 fair values for financial instruments.

➤ T.32

Type	Measurement technique	Material, non-observable input factors	Connection between material, non-observable input factors and fair value measurement
Currency forward transactions	The fair values are determined on the basis of current market parameters, i.e., reference prices observable on the market, taking into account forward premiums and discounts. The discounted result of the comparison of the forward price on the reporting date with the forward price on the valuation date is included in the measurement. The fair values are also checked for the counterparty's non-performance risk. In doing this, PUMA calculates credit value adjustments (CVA) or debt value adjustments (DVA) on the basis of an up/down method, taking current market information into account, in particular the creditworthiness of the company's business partners. No material deviations were found, so that no adjustments were made to the fair value determined.	Not applicable	Not applicable
Currency options	The valuation is based on the Garman Kohlhagen model, an extended version of the Black Scholes model.	Not applicable	Not applicable
Promissory note loans	The valuation takes into account the cash value of expected payments, discounted using a risk-adjusted discount rate.	Not applicable	Not applicable

Of the fair value of the derivatives with a hedge relationship with positive market values of € 58.6 million (previous year: € 112.1 million), € 65.9 million (previous year: € 107.8 million) related to the valuation of the spot component. Of the fair value of the derivatives with a hedge relationship with negative market values of € 36.5 million (previous year: € 32.2 million), € 46.9 million (previous year: € 25.7 million) related to the valuation of the spot component.

Cash and cash equivalents, trade receivables and other receivables have short maturities. Accordingly, as of the reporting date, the carrying amount approximates fair value. Receivables are stated at nominal value, taking into account deductions for default risk.

The fair values of other financial assets correspond to their carrying amount as the interest calculation occurs at the prevailing market interest rates on the balance sheet date. Other (current and non-current) financial assets include € 37.8 million (previous year: € 36.7 million) that were pledged as rental deposits at usual market rates.

Trade payables have short residual maturities; their carrying amounts therefore approximate fair value.

The remaining financial liabilities have short residual maturities; the recognized amounts therefore approximate fair value.



Net result by measurement categories:

➤ T.33 (€ million)

	2022	2021
Financial assets at amortized cost (AC)	26.0	-5.8
Financial liabilities at amortized cost (AC)	-7.1	-6.5
Derivatives without hedge relationship measured at fair value through profit or loss (FVPL)	-47.6	-10.0
Financial assets measured at fair value through other comprehensive income (FVOCI)	-3.4	-6.2
Total	-32.1	-28.5

The net result was determined by taking into account interest income and expense, currency exchange effects, changes in provisions for risks as well as gains and losses from disposal.

The net result includes interest income of € 31.8 million (previous year: € 11.4 million) and interest expenses of € 15.2 million (previous year: € 12.9 million) according to the effective interest method.

General administrative expenses include changes in risk provisions for receivables.

DISCLOSURES RELATING TO FINANCIAL RISKS

The PUMA Group is exposed to the following risks from the use of financial instruments:

- Default Risk
- Liquidity Risk
- Market risk

These risks and the principles of risk management are explained below.

PRINCIPLES OF RISK MANAGEMENT

The Management Board of PUMA SE is responsible for developing and monitoring risk management in the PUMA Group. To this end, the Management Board has set up a Risk Management Committee that is responsible for designing, reviewing and adapting the risk management system. The Risk Management Committee regularly reports to the Management Board on its work.

The guidelines for the risk management system define the responsibilities, tasks and processes of the risk management system. The guidelines for the risk management system and the risk management system itself are reviewed regularly in order to be able to pick up on any changes in market conditions and PUMA's activities and incorporate them accordingly.

The Audit Committee, on the one hand, monitors the Management Board's compliance with the guidelines and the Group risk management processes. On the other, the Audit Committee monitors the effectiveness of the risk management system with regard to the risks to which the PUMA Group is exposed. The Internal Audit department supports the Audit Committee in its monitoring tasks. To this end, regular audits and ad hoc audits are also carried out by the Internal Audit department. Their results are reported directly to the Audit Committee.



DEFAULT RISK

Default risk is the risk of financial losses if a customer or party to a financial instrument fails to meet its contractual obligations. Default risk arises in principle from trade receivables and from other contractual financial obligations of the counterparty, such as bank deposits and derivative financial instruments.

Without taking into account any existing credit insurance policies or other guarantees received, the maximum default risk is equal to the carrying amount of the financial assets.

At the end of the financial year 2022, there was no relevant concentration of the default risk by customer type or region. Default risk is mainly influenced by individual customer characteristics. In accordance with our credit guidelines, new customers are checked for creditworthiness before we offer them our regular payment and delivery terms. In addition, we set specific receivables limits for each customer. In particular, the international credit insurance program that PUMA has concluded for all major subsidiaries contributes to risk mitigation. The creditworthiness of our customers and the limits on receivables are monitored on an ongoing basis, which also includes the requesting of individual credit limits from credit insurance providers for all customers who have external accounts that exceed a certain value limit. The credit insurer's response to such credit limit requests always includes information on the creditworthiness. Customers with a credit rating that does not meet the minimum requirements set may, as a rule, only acquire products against advance payment.

Further activities to reduce default risk include retention of title clauses, and also in individual cases the selective sale of trade receivables (without recourse) and the obtaining of bank guarantees or parent company guarantees for our customers.

At the end of the financial year 2022, no individual customers accounted for more than 10% of trade receivables.

The central Treasury department has a comprehensive overview of the banks engaged in this context for currency hedging instruments and for the management of cash and cash equivalents. Business with banks is focused on core banks with the appropriate credit rating (currently a minimum rating of BBB+ or better), while maximum risk amounts are specified for banks that have also been engaged in addition to this. The counterparty risks resulting from this are reviewed at least once every six months.

PUMA held currency-related derivative financial instruments with a positive market value of € 118.3 million in 2022 (previous year: € 130.1 million). The maximum default risk for an individual bank from such assets amounted to € 24.8 million (previous year: € 22.4 million).

In accordance with IFRS 7, the following table contains further information on the offsetting options for derivative financial assets and liabilities. Most agreements between financial institutions and PUMA include a mutual right to offsetting; the right to offsetting is only enforceable in the event of the default of a business partner. The criteria for offsetting them in the balance sheet are therefore not met.



The carrying amounts of the derivative financial instruments affected by the aforementioned offsetting agreements are shown in the following table:

➤ T.34 (€ million)

	2022	2021
Assets		
Gross amounts of financial assets recognized in the balance sheet	118.3	130.1
Financial instruments that qualify for offsetting	0.0	0.0
= Net book value of financial assets	118.3	130.1
Offsettable on the basis of framework agreements	-50.6	-43.0
Total net value of financial assets	67.7	87.1

	2022	2021
Liabilities		
Gross amounts of financial liabilities recognized in the balance sheet	52.4	44.5
Financial instruments that qualify for offsetting	0.0	0.0
= Net book value of financial liabilities	52.4	44.5
Offsettable on the basis of framework agreements	-50.6	-43.0
Total net value of financial liabilities	1.8	1.5

LIQUIDITY RISK

Liquidity risk is the risk that the Group may not be able to meet its financial liabilities by delivering cash or other financial assets in accordance with the agreement. The objective of the Group in managing liquidity is to ensure that, as far as possible, sufficient cash and cash equivalents are always available in order to meet the payment obligations upon maturity, under both normal and strained conditions.

PUMA aims to maintain the amount of cash, cash equivalents and fixed loan commitments at a level that covers the effects of an assumed worst-case scenario. This scenario is based on the events and financial impact of the COVID-19 crisis in Q2 2020, which must be covered accordingly.

PUMA has confirmed credit lines amounting to a total of € 1,271.0 million (previous year: € 1,322.0 million).

No financial liabilities were utilized from credit lines granted only until further notice. Unutilized credit lines totaled € 943.7 million as of December 31, 2022, compared to € 942.0 million in the previous year.

The effective interest rate of the financial liabilities ranged between 0.0% and 0.9% (previous year: 0.0% to 0.9%).



The following table shows the contractual residual maturities of the financial liabilities as of the reporting date, including estimated interest payments. These are non-discounted gross amounts, but exclude presentation of the effects of offsetting:

➤ T.35 CASH FLOWS FROM NON-DERIVATIVE AND DERIVATIVE FINANCIAL LIABILITIES (€ million)

	Carrying amount 2022	Cashflow 2023		Cashflow 2024		Cashflow 2025 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities							
Financial liabilities	327.4	2.4	75.9	1.6	125.0	1.3	126.5
Trade payables	1,734.9		1,734.9				
Other liabilities	37.5		36.5		0.8		0.2
Derivative financial liabilities and assets							
Cash inflow from derivative financial instruments			4,346.0		792.6		
Cash outflow from derivative financial instruments			4,258.9		789.7		



The following values were determined in the previous year:

➤ T.36 CASH FLOWS FROM NON-DERIVATIVE AND DERIVATIVE FINANCIAL LIABILITIES (€ million)

	Carrying amount 2021	Cashflow 2022		Cashflow 2023		Cashflow 2024 et seq.	
		Interest	Repayment	Interest	Repayment	Interest	Repayment
Non-derivative financial liabilities							
Financial liabilities	380.0	2.4	68.5	2.1	60.0	2.8	251.5
Trade payables	1,176.4		1,176.4				
Other liabilities	22.5		22.1		0.2		0.2
Derivative financial liabilities and assets							
Cash inflow from derivative financial instruments			3,730.6		674.1		
Cash outflow from derivative financial instruments			3,658.9		665.3		



MARKET RISK

Market risk is the risk that market prices, such as exchange rates, share prices or interest rates, may change, thereby affecting the income of the Group or the value of the financial instruments held.

The objective of market risk management is to manage and control the market risk within acceptable bandwidths while optimizing returns.

To manage market risks, PUMA acquires and sells derivatives and also enters into financial liabilities. All transactions are carried out within the framework of the Group's risk management regulations.

CURRENCY RISK

PUMA is exposed to transactional foreign currency risks such that the quoted currencies used for acquisition, disposal and credit transactions and for receivables do not match the functional currency of the Group companies.

In the financial year 2022, PUMA designated currency hedges as cash flow hedges in order to hedge the amount payable of purchases denominated in USD, and converted to euros, as well as for other currency risks resulting from internal resale to PUMA subsidiaries.

Furthermore, currency swaps and currency forward transactions are used to hedge foreign exchange risks when measuring intra-group loans denominated in foreign currencies.

The estimated foreign currency risks are initially subjected to a quantitative materiality test, while simultaneously taking hedging costs into account. Material risks are then hedged, in accordance with the Group directive, up to a hedging ratio of up to 95% of the estimated foreign currency risks from expected acquisition and disposal transactions over the next 12 to 15 months. Currency forward transactions and currency options, usually with a term of around 12 months from the reporting date, are used to hedge the foreign currency risk. For significant risks that are subject to large hedging costs, high hedging ratios can only be achieved over shorter terms.

To hedge the currency risk of currency forward transactions, the Group designates the spot rate and, in the case of options contracts, the intrinsic value. The interest component and/or fair value are excluded from the designation of the hedging instrument and are recorded in the financial result through profit or loss.

The Group determines the existence of an economic relationship between the hedging instrument and the hedged underlying transaction on the basis of the currency, amount and time of their respective cash flows (critical terms match method). The Group uses the cumulative dollar offset method to assess whether the derivative designated in each hedging relationship is expected to be prospectively effective and retrogradely effective in relation to offsetting changes in the cash flows of the hedged underlying transaction.

The main reason for ineffectiveness is the decline or loss of hedged transactions in these hedging relationships.



The summarized quantitative information about the Group's currency risk is as follows:

➤ T.37 (€ million)

as of December 31, 2022	USD	GBP	JPY
Risk from forecast transactions	-1,665.5	104.5	205.2
Balance sheet risk	-307.1	76.6	28.3
Total gross risk	-1,972.6	181.0	233.4
Hedged with currency forward transactions	1,833.9	-171.9	-181.6
Net risk	-138.7	9.1	51.9

➤ T.38 (€ million)

as of December 31, 2021	USD	GBP	JPY
Risk from forecast transactions	-1,562.3	168.7	166.2
Balance sheet risk	-380.2	39.0	39.7
Total gross risk	-1,942.5	207.7	206.0
Hedged with currency forward transactions	1,902.4	-197.2	-194.8
Net risk	-40.1	10.5	11.1

Currency forward transactions and the risk from forecast transactions were calculated on a one-year basis.

The nominal amounts of open exchange rate-hedging transactions, which relate mainly to cash flow hedges, refer primarily to currency forward transactions in a total amount of € 3,792.6 million (previous year: € 3,730.4 million). These underlying transactions are expected to generate cash flows in 2023 and 2024.

The market values of open exchange rate-hedging transactions on the balance sheet date consist of:

➤ T.39 (€ million)

	2022	2021
Currency forward transactions	118.3	129.0
Currency options	0.0	1.1
Currency hedging contracts, assets (see chapters 6 and 12)	118.3	130.1
Currency forward transactions	52.4	44.5
Currency hedging contracts, liabilities (see chapter 13)	52.4	44.5
Net	66.0	85.5



The net risk position and the average hedged rates of the currency forward transactions are as follows:

➤ T.40

	2022		2021	
	Current	Non-current	Current	Non-current
Currency risk				
Net risk position (€ million)	1,167.5	508.2	1,246.7	420.7
Currency forward transactions				
Average EUR/USD exchange rate	1.092	1.069	1.206	1.161
Average EUR/GBP exchange rate	0.864	0.880	0.865	0.858
Average EUR/JPY exchange rate	133.205	137.338	128.957	130.577



On the balance sheet date, the amounts relating to items designated as hedged underlying transactions with regard to exchange rate risks were as follows:

➤ **T.41** (€ million)

	Change in value for the calculation of hedge ineffectiveness	Reserve for cash flow hedges	Balances remaining in the cash flow hedging reserve from hedging relationships to which hedge accounting is no longer applied
As of December 31, 2022			
Currency risk – sales transactions	-31.1	29.8	0.0
Currency risk – sourcing transactions	188.1	-15.7	0.0
As of December 31, 2021			
Currency risk – sales transactions	5.0	-8.2	0.0
Currency risk – sourcing transactions	123.5	86.3	0.0



The amounts relating to items designated as hedging instruments and the ineffectiveness of the hedging relationships are as follows:

➤ T.42 (€ million)

	Nominal value	Carrying amount		Items in the balance sheet, in which the hedging instrument is included	In financial year 2022					
		Assets	Liabilities		Changes in the value of the hedging instrument, recognized in other comprehensive income	Ineffectiveness of the hedging relationship, recognized in the income statement	Items in income statement containing the ineffectiveness of the hedging	Amount transferred from the hedging reserve to the inventory acquisition cost	Amount reclassified from the hedging reserve to the income statement	Items in the income statement affected by the reclassification
As of December 31, 2022										
Currency risk – sales transactions	1,097.7	44.0	-3.5	Other current/ non-current financial assets/ liabilities	31.1	-	Financial expenses	-	-16.7	Sales
Currency risk – sourcing transactions	2,082.6	21.9	-43.4		-188.1	-		91.9	144.0	Cost of sales
As of December 31, 2021										
Currency risk – sales transactions	1,306.9	17.0	-25.2	Other current/ non-current financial assets/ liabilities	-5.0	-	Financial expenses	-	11.2	Cost of sales
Currency risk – sourcing transactions	2,150.3	90.8	-0.5		-123.5	-		9.8	-68.2	Cost of sales



The following table shows the reconciliation of the change in equity in relation to cash flow hedges:

➤ T.43 (€ million)

	2022	2021
Cash flow hedging reserve as of Jan 1	78.1	-87.6
Change in fair value	157.0	128.4
Amount included in the acquisition cost of non-financial assets	-91.9	-9.8
Amount reclassified to the income statement	-128.2	56.2
Tax effect	-0.7	-9.2
Cash flow hedging reserve as of Dec 31	14.2	78.1

A small portion of the originally planned sourcing and sales volume in foreign currencies did not transpire, leading to an excess of hedging transactions. Hedge accounting was terminated for those sourcing and sales transactions that were no longer expected to transpire, and the fair value was transferred as a profit or loss from the hedging reserve to the income statement. As soon as any highly likely sourcing or sales transaction is no longer expected to transpire, an offsetting transaction is concluded. In 2022, this primarily concerned the EUR/RUB currency pair. An amount of € -14.8 million across all currency pairs (previous year: € -2.9 million) was recognized as a loss in the income statement.

Currency Sensitivity Analysis

In order to disclose market risks, IFRS 7 requires sensitivity analysis that show the effects of hypothetical changes in relevant risk variables on earnings and equity. The periodic effects are determined by relating the hypothetical changes caused by the risk variables to the balance of the financial instruments held as of the balance sheet date. The underlying assumption is that the balance as of the balance sheet date is representative for the entire year.

Currency risks as defined by IFRS 7 arise on account of financial instruments that are denominated in a currency which differs from the functional currency and are monetary in nature. Differences resulting from the conversion of the individual financial statements to the group currency are not taken into account. All non-functional currencies in which PUMA employs financial instruments are generally considered to be relevant risk variables.

The currency sensitivity analysis is based on the net balance sheet risk denominated in foreign currencies. This also includes intra-company monetary assets and liabilities. Outstanding currency derivatives are also reassessed as part of the sensitivity analysis.

The following table shows the increase or decrease of profit or loss or hedging reserve in equity in the event of a 10% appreciation or depreciation against the euro spot price. It is assumed that all other influencing factors, including interest rates and commodity prices, remain constant. The effects of the forecasted operating cash flows are also ignored.



➤ T.44 (€ million)

As of December 31, 2022	USD	GBP	JPY
Nominal amounts of outstanding currency forward transactions	2,428.2	-205.7	-233.8
Net risk position	EUR +10%	EUR +10%	EUR +10%
Equity	-186.6	7.7	13.9
Profit or loss	5.7	-0.1	0.4
	EUR -10%	EUR -10%	EUR -10%
Equity	221.0	-18.8	-28.7
Profit or loss	-6.9	0.1	-0.5

➤ T.45 (€ million)

As of December 31, 2021	USD	GBP	JPY
Nominal amounts of outstanding currency forward transactions	2,404.6	-234.2	-253.6
Net risk position	EUR +10%	EUR +10%	EUR +10%
Equity	-280.9	22.5	15.6
Profit or loss	7.2	-0.3	-0.3
	EUR -10%	EUR -10%	EUR -10%
Equity	136.4	-18.0	-24.3
Profit or loss	-8.7	0.4	0.3

Currency risks and other risk and opportunity categories are discussed in greater detail in the Combined Management Report in the Risk and Opportunity Report.

INTEREST-RATE RISKS

Changes in market interest rates around the world have an impact on future interest payments for variable interest liabilities. As PUMA does not have any significant variable interest liabilities, any significant interest-rate increases are not likely to have a material negative impact on the business development of PUMA. Interest rate hedging instruments are therefore not required.



15. PENSION PROVISIONS

Pension provisions result from employees' claims and, if applicable, their survivors, for benefits which are based on the statutory or contractual regulations applicable in the respective country in the event of invalidity, death or when a certain retirement age has been reached. Pension commitments in the PUMA Group include both benefit- and contribution-based pension commitments and include both obligations from current pensions and rights to pensions payable in the future. The pension entitlements are financed by both provisions and funds.

The risks associated with the pension commitments mainly concern the usual risks of benefit-based pension plans in relation to possible changes in the discount rate and inflation trends, and recipient longevity. In order to limit the risks of changed capital market conditions and demographic developments, plans with the maximum obligations were agreed or insured for new hires a few years ago in Germany and Great Britain. The specific risk of obligations based on salary is low within the PUMA Group. The introduction of an annual cap for pensionable salary in the Great Britain plan in 2016 covers this risk for the highest obligations. The Great Britain plan is therefore classified as a non-salary obligation.

➤ T.46 (€ million)

	Germany	Great Britain	Other Companies	PUMA Group
Present Value of Pension Obligation 12/31/2022				
Salary-based obligations				
Annuity	0.0	0.0	8.6	8.6
One-off payment	0.0	0.0	9.3	9.3
Non-salary-based obligations				
Annuity	48.9	29.6	0.0	78.5
One-off payment	7.9	0.0	0.0	7.9
Total	56.8	29.6	17.9	104.3



The following values were determined in the previous year:

➤ T.47 (€ million)

	Germany	Great Britain	Other Companies	PUMA Group
Present Value of Pension Obligation 12/31/2021				
Salary-based obligations				
Annuity	0.0	0.0	10.0	10.0
One-off payment	0.0	0.0	9.7	9.7
Non-salary-based obligations				
Annuity	43.5	51.4	0.0	94.9
One-off payment	7.7	0.0	0.0	7.7
Total	51.2	51.4	19.7	122.3

The main pension arrangements are described below:

The general pension scheme of PUMA SE essentially provides for pension payments to a maximum amount of € 127.82 per month and per eligible employee. It was closed for new members beginning in 1996. In addition, PUMA SE provides individual commitments (fixed sums in different amounts) as well as contribution-based individual benefits (in part from salary conversion). The contribution-based individual benefits are insured plans. There are no statutory minimum funding requirements. The scope of obligation for domestic pension claims amounts to € 56.8 million at the end of 2022 (previous year: € 51.2 million) and thus comprises 54.5% of the total obligation. The fair value of the plan assets relative to domestic obligations amounts to € 49.2 million. The corresponding pension provision amounts to € 7.6 million.

The defined benefit plan in Great Britain has not been available to new hires since 2006. This defined benefit plan includes salary and length of service-based commitments to provide old age, invalidity and surviving dependents' retirement benefits. In 2016, a growth cap of 1% p.a. was introduced on the pensionable salary. Partial capitalization of the old-age pension is permitted. There are statutory minimum funding requirements. The obligations regarding pension claims under the defined benefit plan in Great Britain amount to € 29.6 million at the end of 2022 (previous year: € 51.4 million) and thus accounts for 28.4% of the total obligation. The obligation is covered by assets amounting to € 28.5 million. The provision amounts to € 1.1 million.



The changes in the present value of pension obligation are as follows:

➤ T.48 (€ million)

	2022	2021
Present Value of Pension Obligation January 1	122.3	111.7
Cost of the pension obligation earned in the reporting year	2.5	2.6
Interest expense on pension obligation	1.9	1.4
Employee contributions	8.3	8.3
Benefits paid	-3.4	-3.3
Effects from transfers	0.0	0.1
Actuarial gains (-) and losses	-25.1	-2.0
Currency exchange effects	-2.2	3.5
Present Value of Pension Obligation December 31	104.3	122.3

The changes in the plan assets are as follows:

➤ T.49 (€ million)

	2022	2021
Plan Assets January 1	90.7	73.5
Interest income on plan assets	1.4	0.9
Actuarial gains and losses (-)	-15.0	1.9
Employer contributions	1.0	5.6
Employee contributions	8.3	8.3
Benefits paid	-2.3	-2.3
Currency exchange effects	-1.7	2.8
Plan Assets December 31	82.4	90.7



The pension provision for the Group is derived as follows:

➤ T.50 (€ million)

	2022	2021
Present value of pension obligation from benefit plans	104.3	122.3
Fair value of plan assets	-82.4	-90.7
Financing Status	21.9	31.6
Pension Provision December 31	21.9	31.6
of which, assets	0.5	0.3
of which, liabilities	22.4	31.9

In 2022, benefits paid amounted to € 3.4 million (previous year: € 3.3 million). Contributions in 2023 are expected to amount to € 2.8 million. Of this, € 1.0 million is expected to be paid directly by the employer. Employer contributions to external plan assets amounted to € 1.0 million in 2022 (previous year: € 5.6 million). Employer contributions in 2023 are expected to amount to € 0.4 million.

The changes in pension provisions are as follows:

➤ T.51 (€ million)

	2022	2021
Pension Provision January 1	31.6	38.2
Pension expense	3.0	3.1
Actuarial gains (-) and losses recorded in Other Comprehensive Income	-10.1	-3.9
Employer contributions	-1.0	-5.6
Direct pension payments made by the employer	-1.1	-1.0
Transfer values	0.0	0.1
Currency exchange differences	-0.5	0.7
Pension Provision December 31	21.9	31.6
of which, assets	0.5	0.3
of which, liabilities	22.4	31.9



The expenses in the 2022 financial year are structured as follows:

➤ T.52 (€ million)

	2022	2021
Cost of the pension obligation earned in the reporting year	2.5	2.6
Past service costs	0.0	0.0
Income (-) and expenses from plan settlements	0.0	0.0
Interest expense on pension obligation	1.9	1.4
Interest income on plan assets	-1.4	-0.9
Administration costs	0.0	0.0
Expenses for Defined Benefit Plans	3.0	3.1
of which, personnel costs	2.5	2.6
of which, financial costs	0.5	0.5

In addition to the defined benefit pension plans, PUMA also makes contributions to defined contribution plans. Payments for the financial year 2022 amounted to € 18.5 million (previous year: € 15.0 million).

Actuarial gains and losses recorded in Other Comprehensive Income:

➤ T.53 (€ million)

	2022	2021
Revaluation of Pension Commitments	-25.1	-2.0
Actuarial gains (-) and losses resulting from changes in demographic assumptions	-0.1	0.5
Actuarial gains (-) and losses resulting from changes in financial assumptions	-30.3	-2.7
Actuarial gains (-) and losses due to adjustments based on experience	5.3	0.2
Revaluation of Plan Assets	15.0	-1.9
Amounts not recorded due to the maximum limit applicable to assets	0.0	0.0
Adjustment of administration costs	0.0	0.0
Total Revaluation Amounts recorded directly in Other Comprehensive Income	-10.1	-3.9



Plan assets investment classes:

➤ T.54 (€ million)

	2022	2021
Cash and cash equivalents	0.1	6.6
Equity instruments	5.5	0.8
Bonds	3.5	7.1
Investment funds	3.0	14.0
Derivatives	11.6	9.2
Real estate	2.9	4.8
Insurance	49.4	40.8
Other	6.4	7.4
Total Plan Assets	82.4	90.7

Of which, investment classes with a quoted market price:

➤ T.55 (€ million)

	2022	2021
Cash and cash equivalents	0.1	6.6
Equity instruments	5.5	0.8
Bonds	3.5	7.1
Investment funds	3.0	14.0
Derivatives	11.6	9.2
Real estate	2.1	4.3
Insurance	0.0	0.0
Other	6.3	7.3
Plan Assets with a quoted Market Price	32.1	49.3

Plan assets still do not include the Group's own financial instruments or real estate used by Group companies.

The plan assets are used exclusively to meet defined pension commitments. Legal requirements exist in some countries for the type and amount of financial resources that can be chosen; in other countries (for example Germany) the financing of pension commitments can be chosen freely. In Great Britain, a board of trustees made up of company representatives and employees is in charge of asset management. Its investment strategy is aimed at long-term profits and tolerable volatility. It was last revised in 2022 to reduce the risk profile.



The following assumptions were used to determine pension obligations and pension expenses:

➤ T.56

	2022	2021
Discount rate	4.35%	1.62%
Future pension increases	2.00%	2.28%
Future salary increases	2.06%	1.66%

The indicated values are weighted average values. A standard interest rate of 4.00% was applied for the eurozone (previous year: 1.10%).

The 2018 G Heubeck guideline tables were used as mortality tables for Germany. For Great Britain, the mortality was assumed based on basic table series S2 taking into account life expectancy projections in accordance with CMI2021 with a long-term trend of 1%.

The following overview shows how the present value of pension obligations from benefit plans would have been affected by changes to significant actuarial assumptions.

➤ T.57 (€ million)

	2022	2021
Effect on present value of pension obligations if		
the discount rate were 50 basis points higher	-3.7	-7.1
the discount rate were 50 basis points lower	4.1	8.1

Salary and pension trends have only a negligible effect on the present value of pension obligations due to the structure of the benefit plans.

The weighted average duration of pension commitments is around 11 years (previous year: around 16 years).



16. OTHER PROVISIONS

➤ T.58 (€ million)

	2021					2022	2022	2021
		Currency adjustments, retransfers	Addition	Utilization	Reversal		Of which, non- current	Of which, non- current
Provisions for:								
Warranties	1.7	0.5	1.1	-0.6	0.0	2.7	0.0	0.0
Purchasing risks	6.8	-0.3	5.8	-5.0	-0.3	7.1	0.0	0.0
Litigation risks	31.0	-0.9	6.8	-3.2	-7.0	26.6	8.4	9.1
Restoration obligations	13.1	0.2	4.3	-0.3	-0.3	17.0	14.1	9.9
Personnel provisions	18.7	-0.1	0.2	-10.9	-1.0	7.0	7.0	18.7
Other	14.5	0.2	15.6	-6.6	-4.5	19.3	0.0	0.2
Total	85.9	-0.3	33.7	-26.4	-13.1	79.8	29.5	37.9

The warranty provision is determined on the basis of the historical value of sales generated during the past six months. It is expected that the majority of these expenses will fall due within the first six months of the next financial year. Purchasing risks relate primarily to materials and molds that are required for the manufacturing of shoes.

Personnel provisions mainly relate to short- and long-term variable compensation components. The risks arising from legal disputes relate to any form of legal dispute, including those relating to trademark and patent rights. The other provisions relate to other risks, in particular those associated with sourcing.

Current provisions are expected to be paid out in the following year, non-current provisions are expected to be paid out in a period of up to ten years. There are no significant compounding effects. The recognition and measurement of provisions is based on past experience of similar transactions. All events until the preparation of the consolidated financial statements are taken into account here.



17. EQUITY

SUBSCRIBED CAPITAL

The subscribed capital corresponds to the subscribed capital of PUMA SE.

As of the balance sheet date, the subscribed capital in accordance with the Articles of Association corresponds to € 150,824,640.00 and is divided into 150,824,640 no-par value voting shares. This corresponds to a proportional amount of € 1.00 per share.

Changes in the outstanding shares:

➤ T.59

	2022	2021
Outstanding shares as of January 1, share	149,605,600	149,583,859
Issue of Treasury Stock	153,044	21,741
Outstanding shares as of December 31, share	149,758,644	149,605,600

The issue of treasury stock relates to compensation in connection with promotional and advertising agreements.

CAPITAL RESERVE

The capital reserve includes the premium from issuing shares, as well as amounts from the grant, conversion and expiration of share options.

REVENUE RESERVES INCL. RETAINED EARNINGS

The revenue reserves incl. retained earnings include the net earnings of the financial year as well as the earnings achieved in the past by the companies included in the consolidated financial statements to the extent that it was not distributed. In addition, the valuation effects from the pension provision recognized in other comprehensive income are recognized in retained earnings.

DIFFERENCE FROM CURRENCY CONVERSION

The equity item for currency conversion serves to record the foreign exchange differences from the conversion of the financial statements of subsidiaries with non-euro accounting.

CASH FLOW HEDGES

The "cash flow hedges" item includes the market valuation of derivative financial instruments. The item amounting to € 14.2 million (previous year: € 78.1 million) is offset by deferred taxes of € -4.8 million (previous year: € -4.1 million).



TREASURY STOCK

The resolution adopted by the Annual General Meeting on May 7, 2020 authorized the Company to purchase treasury shares up to a value of 10% of the share capital until May 6, 2025. By resolution of the Annual General Meeting of May 5, 2021 the Supervisory Board was authorized to issue the acquired shares to the members of the Management Board of the Company, excluding the shareholders' subscription rights. By resolution of the Annual General Meeting of May 11, 2022 the Management Board was, moreover, authorized to issue the acquired shares, excluding the shareholders' subscription rights, as part of the Company's or its affiliated companies' share-based payments or employee share programs to individuals currently or formerly in an employment relationship with the Company or one of its affiliated companies or to members of the management of one of the Company's affiliated companies. If purchased through the stock exchange, the purchase price per share may not exceed 10% or fall below 20% of the closing price for the Company's shares with the same attributes in the XETRA trading system (or a comparable successor system) during the last three trading days prior to the date of purchase.

The Company did not make use of the authorization to purchase treasury stock during the reporting period.

As of the balance sheet date, the Company holds a total of 1,065,996 PUMA shares in its own portfolio, which corresponds to 0.71% of the subscribed capital.

AUTHORIZED CAPITAL

As of December 31, 2022, the Company's Articles of Association provide for authorized capital totaling € 30,000,000.00:

Pursuant to Section 4.2. of the Articles of Association, the Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's share capital by May 4, 2026 by up to € 30,000,000.00 (Authorized Capital 2021) by issuing new no-par value bearer shares against cash and/or non-cash contributions on one or more occasions. In the case of capital increases against contributions in cash, the new shares may be acquired by one or several banks, designated by the Management Board, subject to the obligation to offer them to the shareholders for subscription (indirect subscription right). The shareholders shall generally be entitled to subscription rights. However, the Management Board is authorized, with the consent of the Supervisory Board, to exclude shareholders' subscription rights in whole or in part in the cases specified in Section 4.2. of the Articles of Association.

The Management Board of PUMA SE did not make use of the existing authorized capital in the current reporting period.

CONDITIONAL CAPITAL

By resolution of the Annual General Meeting of May 11, 2022, the Management Board was authorized until May 10, 2027, with the consent of the Supervisory Board, through one or more issues, altogether or in parts and in various tranches at the same time, to issue bearer or registered convertible and/or option bonds, profit-sharing rights or participation bonds or a combination of these instruments with or without a term limitation in a total nominal amount of up to € 1,500,000,000.00.

The share capital was conditionally increased by up to € 15,082,464.00 by issuing up to 15,082,464 new no-par value bearer shares (Conditional Capital 2022). The conditional capital increase shall only be implemented to the extent that conversion/option rights are exercised, or the option/conversion obligations are met or tenders are carried out and to the extent that other forms of performance are not applied.

No use has been made of this authorization to date.



DIVIDENDS

The amounts eligible for distribution relate to the retained earnings of PUMA SE, which is determined in accordance with German Commercial Law.

The Management Board and the Supervisory Board will propose to the Annual General Meeting that a dividend of € 0.82 (previous year: € 0.72) per circulating share, or a total of € 122.8 million (with respect to the circulating shares as of December 31, 2022), be distributed to the shareholders from the retained earnings of PUMA SE for the financial year 2022.

Proposed appropriation of the retained earnings of PUMA SE:

➤ T.60

	2022	2021
Retained earnings of PUMA SE as of December 31, € million	499.4	490.1
Retained earnings available for distribution, € million	499.4	490.1
Dividend per share, €	0.82	0.72
Number of outstanding shares*	149,758,644	149,608,861
Total dividend*, € million	122.8	107.7
Carried forward to the new accounting period*, € million	376.6	382.4

* Previous year's values adjusted to the outcome of the Annual General Meeting

NON-CONTROLLING INTERESTS

This item comprises non-controlling interests. The composition is shown in chapter 28.

CAPITAL MANAGEMENT

The Group's objective is to retain a strong equity base in order to maintain both investor and market confidence, and to strengthen future business performance.

Capital management relates to the consolidated equity of PUMA. This is shown in the consolidated balance sheet as well as the reconciliation statement concerning "Changes in Equity."



18. MANAGEMENT INCENTIVE PROGRAMS

In order to bind the management to the company by a long-term incentive, virtual shares with cash settlement and other long-term incentive programs are used at PUMA.

The current programs are described below.

EXPLANATION OF “VIRTUAL SHARES,” TERMED “MONETARY UNITS” (FULL TERM: MONETARY UNITS PLAN – MUP)

Monetary units were granted on an annual basis to members of the Management Board beginning in 2013 as part of a management incentive program. Monetary units are based on the PUMA share performance. Each of these monetary units entitles the holder to a cash payment at the end of the term. The entitled cash payment compares the performance using the average virtual appreciation rights of the last thirty trading days before the start of the year of issue with the virtual appreciation rights of the last thirty trading days before the exercise date. The maximum increase in value (cap) is limited to 300% of the amount allocated. Monetary units are subject to a vesting period of three years. After that, there is an exercise period beginning 30 days after each quarterly publication date for a period of two years which can be freely used by participants for the purposes of execution. Virtual shares are reduced on a “pro rata” basis in the event of withdrawal during the vesting period. This program will expire and be replaced by the Performance Share Plan. In the financial year 2022, only one member of the Management Board received shares from this program, doing so for the last time.

EXPLANATION OF “VIRTUAL SHARES” (FULL TERM: PERFORMANCE SHARE PLAN – PSP)

Virtual shares were granted on an annual basis to members of the Management Board beginning in 2021 as part of a management incentive program. The virtual shares are based on the PUMA share performance. Each of these virtual shares entitles the holder to a cash payment at the end of the term. However, the Supervisory Board reserves the right to make the payment in PUMA shares instead of cash. This cash payout is based on the PUMA closing prices for the last thirty trading days before the exercise date. The final number of virtual shares is between 50% and 150%, depending on the relative “Total Shareholder Returns” (TSR) compared to the MDAX index. The PUMA and MDAX index TSRs are calculated using the arithmetic means of each of the TSR values on the 30 trading days before the start and end of the performance period. The averages calculated in this way for PUMA and the MDAX index are then compared with each other. The difference in percentage points between the PUMA TSR and the MDAX index TSR is then calculated (= TSR outperformance in percentage points). The maximum increase in value (cap) is limited to 300% of the amount allocated. Virtual shares are subject to a vesting period of four years. They are generally paid out within the first quarter of the fifth year after their issue. Virtual shares are reduced on a “pro rata” basis in the event of withdrawal during the vesting period. For the financial year 2022, the DAX index acts as the basis for calculating virtual shares.



In the financial year 2022, income of € 0.9 million was recorded for this purpose on the basis of the employment contract commitments to the Management Board members (previous year: expense of € 8.7 million).

➤ T.61 VIRTUAL SHARES, MEMBERS OF THE MANAGEMENT BOARD

Plan	MUP	MUP	MUP	MUP	PSP	MUP	PSP	
Issue date	01/01/2018	01/01/2019	01/01/2020	01/01/2021	01/01/2021	01/01/2022	01/01/2022	
Term	5	5	5	5	4.25	5	4.25	Years
Vesting period	3	3	3	3	4	3	4	Years
Base price PUMA share at issue	37.10	44.40	67.69	86.23	86.23	106.95	106.95	EUR/share
Reference value PUMA share at the end of the financial year	0	0	51.86	51.86	56.34	51.86	53.61	EUR/share
Weighted share price at the time of exercise	102.88	102.88	0	0	0	0	0	EUR/share
Participants in year of issue	3	3	3	3	2	1	3	Persons
Participants at the end of the financial year	0	0	3	3	2	1	3	Persons
Number of monetary units/virtual shares as of 1/1/2022	2,000	97,320	62,743	47,351	7,070	30,968	16,458	Shares
Number of monetary units/virtual shares exercised in the FY	-2,000	-97,320	0	0	0	0	0	Shares
Number of monetary units/virtual shares expired in the FY	0	0	0	-12,803	0	-20,645	0	Shares
Final number of monetary units as of 12/31/2022	0	0	62,743	34,548	7,070	10,323	16,458	Shares

In the financial year 2019, a stock split was performed with a ratio of 1:10. As a result of this, all past share values were divided by a factor of 10 and all monetary units were multiplied by a factor of 10.

This commitment consisting of share-based remuneration transactions with cash compensation is recorded as personnel provisions and remeasured at fair value on every balance sheet date, provided it has not been exercised yet. The expenses are recorded pro rata over the vesting period. Based on the prorated average share price of the last thirty trading days in 2022 and taking into account the intra-year exercises in 2022, the provisions for these programs amounted to € 5.8 million at the end of the financial year (previous year: € 17.0 million).



EXPLANATION OF THE “GAME CHANGER 2.0” PROGRAM

In 2018, the Long-Term Incentive Program (LTIP) “Game Changer 2.0” was launched. Participants in this program consist mainly of top executives reporting to the Management Board and individual key positions in the PUMA Group. The objective of this program is to retain these employees in the Company on a long-term basis and to allow them to share in the medium-term success of the Company.

The LTIP “Game Changer 2.0” consists of two plan parts, a Performance Cash Plan and a Performance Share Plan, each with a 50% share. The Performance Cash Plan gives a reward for the PUMA Group's financial performance, while the Performance Share Plan gives a reward for the performance of the PUMA SE share in the capital market.

The performance period of the Performance Cash Plan is three years and is based on the average medium-term targets of the PUMA Group for EBIT, cash flow or working capital as a percentage of sales, and sales. Payment is made in cash and is limited to a maximum of 200% of the granted proportionate target amount (cap).

The Performance Share Plan uses virtual shares to manage the incentive. The term is up to five years, divided into a three-year performance period and a two-year exercise period, in which the virtual shares are paid out in cash. A payout is only possible at the four exercise times (6, 12, 18 or 24 months after the end of the performance period). The average share price of the last 30 trading days before the exercise date determines the value of a virtual share. The payout is limited to a maximum of 200% or 300% of the granted prorated target amount (cap) and is only made if an exercise hurdle of +10% share-price appreciation is exceeded once during the performance period.

EXPLANATION OF THE “GAME CHANGER 2.0 – 2022” PROGRAM

In 2019, the global “Game Changer 2.0 – 2022” program, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (70%), cash flow (15%) and sales (15%). As part of the Performance Share component, payment is limited to a maximum of 200% of the granted proportionate target amount (cap).

In the reporting year, an amount of € 5.1 million (of which, € 3.3 million from the Performance Share Plan) was paid out to the participants. The payment was subject to the condition that the individual participant was in an unterminated employment relationship with a company in the PUMA Group as of December 31, 2021. No further expenses were incurred and no amounts released for this program in the reporting year. No further provision exists for this program.

EXPLANATION OF THE “GAME CHANGER 2.0 – 2023” PROGRAM

In 2020, the global “Game Changer 2.0 – 2023” program, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (70%), cash flow (15%) and sales (15%). As part of the Performance Share component, payment is limited to a maximum of 300% of the granted proportionate target amount (cap). It requires employment up to December 31, 2022. In the reporting year, a prorated amount of € 0.2 million was released as a provision for this program (previous year: € 2.1 million addition). This resulted in a provision for this program at the end of the financial year of € 2.8 million (previous year: € 3.0 million). The Performance Share Plan portion accounted for € 1.3 million (previous year: € 1.9 million).

EXPLANATION OF THE “GAME CHANGER 2.0 – 2024” PROGRAM

In 2021, the global “Game Changer 2.0 – 2024” program, as outlined above, was launched. The Performance Cash Plan is based on the following targets: EBIT (45%), working capital as a percentage of sales (15%), and sales (40%). As part of the Performance Share component, payment is limited to a maximum of 300% of the



granted proportionate target amount (cap). It requires employment up to December 31, 2023. In the reporting year, a prorated amount of € 0.5 million (previous year: € 2.0 million) was set aside for this program. This resulted in a provision for this program at the end of the financial year of € 2.5 million (previous year: € 2.0 million). The Performance Share Plan portion accounted for € 0.8 million (previous year: € 0.9 million).

EXPLANATION OF THE "ROAD 2 10B" PROGRAM

In 2022, the "Game Changer 2.0" program was replaced by the long-term incentive program (LTIP) "Road 2 10B". Participants in this program consist of important professionals and managers within the PUMA Group. The objective of this program is to retain these employees in the Company on a long-term basis and to allow them to share in the medium-term success of the Company.

The LTIP "Road 2 10B" consists of two plan parts, a Performance Cash Plan and a Performance Share Plan, each with a 50% share. The Performance Cash Plan gives a reward for the PUMA Group's financial performance, while the Performance Share Plan gives a reward for the performance of the PUMA SE share in the capital market.

The Performance Cash Plan is focused on the following targets: EBIT, sales and working capital as a percentage of sales based on the three-year plan set by the Management Board of PUMA SE. For participants in the program with an employment relationship at Group level, the target achievement is based on the following Group targets: EBIT (45%), sales (40%), and working capital as a percentage of sales (15%). For participants in the program with an employment relationship at the national or regional level, 50% of the target achievement is based on achieving the Group targets. The remaining 50% is based on achieving the following targets at the national or regional level: EBIT (22.5%), sales (20%) and working capital as a percentage of sales (7.5%). Payment is limited to a maximum of 200% of the granted proportionate target amount (cap).

The performance share plan is based on the performance of the PUMA share price. The term is up to five years, divided into a three-year performance period and a subsequent two-year exercise period, in which the virtual shares are paid out in cash. A payout is only possible at the four exercise times (6, 12, 18 or 24 months after the end of the performance period). The average share price of the last 30 trading days before the exercise date determines the payout value of a virtual share. The payout is limited to a maximum of 300% of the granted prorated target amount (cap) and is only made if an exercise hurdle of +10% share-price appreciation is exceeded once during the performance period.

In the reporting year, € 4.7 million (of which, € 0.6 million for the Performance Share Plan) was set aside for this program on a pro rata basis.



➤ T.62 VIRTUAL SHARES, NON-MANAGEMENT BOARD MEMBERS

Program addendum	Game Changer 2022	Game Changer 2023	Game Changer 2024	Road 2 10b	
Issue date	01/01/2019	01/01/2020	01/01/2021	01/01/2022	
Term	5	5	5	5	Years
Vesting period	3	3	3	3	Years
Base price at program start	44.40	67.69	86.23	106.95	EUR/share
Reference value at the end of the financial year	0	51.86	51.86	18.56	EUR/share
Weighted share price at the time of exercise	88.80	0	0	0	EUR/share
Participants in year of issue	64	60	76	486	Persons
Participants at the end of the financial year	0	55	70	486	Persons
Number of "virtual shares" as of 1/1/2022	37,525	26,952	24,809	103,352	Shares
Number of "virtual shares" expired in the FY	0	-2,405	-1,469	0	Shares
Number of "virtual shares" exercised in the FY	-37,525	0	0	0	Shares
Final number of "virtual shares" as of 12/31/2022	0	24,547	23,340	103,352	Shares

In the financial year 2019, a stock split was performed with a ratio of 1:10. As a result of this, all past share values were divided by a factor of 10 and all virtual shares were multiplied by a factor of 10.



NOTES TO THE CONSOLIDATED INCOME STATEMENT

19. SALES

The following table shows the Group's sales broken down by distribution channel:

➤ T.63 BREAKDOWN BY DISTRIBUTION CHANNEL (€ million)

	2022	2021
Wholesale	6,513.7	5,080.6
Direct-to-consumer (DTC)	1,951.4	1,724.8
Total	8,465.1	6,805.4

Sales are also broken down by product division as follows:

➤ T.64 BREAKDOWN BY PRODUCT DIVISION (€ million)

	2022	2021
Footwear	4,317.9	3,163.6
Apparel	2,896.3	2,517.3
Accessories	1,251.0	1,124.5
Total	8,465.1	6,805.4

20. OTHER OPERATING INCOME AND EXPENSES

According to the respective functions, other operating income and expenses include personnel, advertising, sales and distribution expenses as well as rental and leasing expenditure, travel costs, legal and consulting expenses and other general expenses. Rental and lease expenses associated with the Group's own retail stores include revenue-based rental components.



Other operating income and expenses are allocated based on functional areas as follows:

➤ T.65 (€ million)

	2022	2021
Sales and distribution expenses	2,677.2	2,207.4
Product management/merchandising	70.9	52.8
Research and development	82.2	61.7
Administrative and general expenses	465.8	405.2
Other operating expenses	3,296.0	2,727.2
Other operating income	0.1	2.6
Total	3,295.9	2,724.6
Of which, personnel expenses	836.3	704.3
Of which, scheduled depreciation	332.8	287.3
Of which, impairment expenses	26.0	18.5

Within the sales and distribution expenses, marketing/retail expenses account for a large proportion of the operating expenses. In addition to advertising and promotional expenses, they also include expenses associated with the Group's own retail activities. Other sales and distribution expenses include logistics expenses and other variable sales and distribution expenses. Impairment losses in the reporting year were attributable to right-of-use assets in the amount of € 25.4 million and to property, plant and equipment in the amount of € 0.6 million. In the previous year, impairment losses amounted to € 18.5 million and were attributable exclusively to right-of-use assets.

In the consolidated financial statements of PUMA SE, fees of € 1.9 million are recorded as operating expenses for the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft, Nuremberg, Germany. The audit fee is divided into fees for auditing services for the annual and consolidated financial statements and for the review of the half-year financial report in the amount of € 1.8 million and other audit opinion services in the amount of € 0.1 million. In addition to the expenses for PUMA SE, the fees also include the fees for the domestic and foreign subsidiaries audited directly by the auditor of the consolidated financial statements.

In the financial year 2022, government grants amounted to a sum in the low double-digit (previous year: mid-single-digit) millions, of which, a small proportion relates to grants associated with the global COVID-19 pandemic. Government grants are deducted from the corresponding expenses.

Other operating income comprises income from the sale of fixed assets in the amount of € 0.1 million (previous year: € 2.6 million).



Overall, other operating expenses include personnel costs, which consist of:

➤ T.66 (€ million)

	2022	2021
Wages and salaries	649.8	542.0
Social security contributions	91.9	78.6
Expenses from share-based payments with cash compensation	5.1	15.1
Expenses for retirement pension and other personnel expenses	89.5	68.6
Total	836.3	704.3

In addition, cost of sales includes personnel costs in the amount of € 10.2 million (previous year: € 8.1 million).

The average number of employees for the year was as follows:

➤ T.67 EMPLOYEES

	2022	2021
Marketing/retail/sales	12,229	10,945
Research & development/product management	1,228	1,097
Administrative and general units	3,213	2,804
Total annual average	16,669	14,846

As of the end of the year, a total of 18,071 individuals were employed (previous year: 16,125).



21. FINANCIAL RESULT

The financial result consists of:

➤ **T.68** (€ million)

	2022	2021
Interest income	32.3	11.9
Other	47.1	18.0
Financial income	79.4	29.9
Interest expense	-15.2	-12.9
Interest expense – Leasing liability	-38.6	-31.5
Valuation of pension plans	-0.6	-0.5
Expenses from currency-conversion differences, net	-2.2	-9.0
Other	-111.7	-27.7
Financial expenses	-168.3	-81.7
Financial result	-88.9	-51.8

The item "Other" in financial income exclusively comprises interest components relating to currency derivatives of € 47.1 million (previous year: € 18.0 million).

The item "Expenses from currency-conversion differences" includes expenses from currency-conversion differences in the amount of € 2.2 million (previous year: € 9.0 million), which are to be allocated to the financing area.

The item "Other" in financial expenses includes, among other things, interest components in connection with currency derivatives in the amount of € 69.9 million (previous year: € 27.7 million) and the loss on the net monetary position associated with hyperinflation in the amount of € 27.8 million.



22. INCOME TAXES

➤ T.69 (€ million)

	2022	2021
Current income taxes		
Germany	19.4	13.6
Other countries	133.2	112.3
Total current income taxes	152.5	125.9
Deferred taxes	-25.1	2.7
Total	127.4	128.5

In general, PUMA SE and its German subsidiaries are subject to corporate income tax, plus a solidarity surcharge and trade tax. Thus, a weighted mixed tax rate of 27.22% continued to apply for the financial year.

Reconciliation of the theoretical tax expense with the effective tax expense:

➤ T.70 (€ million)

	2022	2021
Earnings before income tax	551.7	505.3
Theoretical tax expense		
Tax rate of the SE = 27.22% (previous year: 27.22%)	150.2	137.5
Tax rate difference with respect to other countries	-6.9	-15.8
Other tax effects:		
Income tax for previous years	-9.7	0.5
Losses and temporary differences for which no tax claims were recognized	4.8	2.2
Changes in tax rates	-0.6	-2.4
Non-deductible expenses for tax purposes and non-taxable income and other effects	-10.4	6.5
Effective tax expense	127.4	128.5
Effective tax rate	23.1%	25.4%

For the financial year 2022, the total tax advantage from previously uncapitalized tax losses, tax credits or temporary differences from previous years which led to a reduction in deferred tax expenses, amounted to € 7.0 million (previous year: € 0.0 million). Deferred tax expenses due to an impairment of deferred tax assets amounted to € 5.0 million in the financial year (previous year: € 2.5 million).

The tax effect resulting from items that were directly included in other comprehensive income can be found in chapter 8.

Various agreements have been reached at the global level to address concerns about the unequal distribution of profits and the unequal tax levies on large multinational companies, including an agreement reached by over 135 countries on the introduction of a global minimum tax rate of 15%. In December 2021, the OECD published a draft legal framework, followed by detailed guidelines in March 2022. These are to be



used by the individual countries that have signed the agreement to amend their local tax laws. As soon as the changes to the tax laws in the countries in which the Group operates start to apply, or is scheduled to apply shortly, the Group may be subject to the minimum tax. At the time of the approval of the consolidated financial statements for publication, the tax legislation relating to the minimum tax either does not apply in one of the countries in which the Group operates, nor is it scheduled to apply there shortly. The Management Board is closely following the progress of the legislative process in each country in which the Group operates. As of December 31, 2022, the Group did not have sufficient information to determine the potential quantitative impact.

23. EARNINGS PER SHARE

The earnings per share are determined in accordance with IAS 33 by dividing the consolidated annual surplus (consolidated net earnings) attributable to the shareholders of the parent company by the weighted average number of outstanding shares.

The calculation is shown in the table below:

➤ T.71

	2022	2021
Net earnings € million	353.5	309.6
Weighted average number of outstanding shares, shares	149,649,158	149,598,722
Earnings per share (€)	2.36	2.07
<hr/>		
Consolidated net earnings for calculating the diluted earnings per share (€ million)	353.5	309.6
Weighted average number of outstanding shares, shares	149,649,158	149,598,722
Dilutive effect of conditionally issuable shares in connection with service agreements	12,107	2,841
Dilutive effect from share-based payments	2,573	809
Weighted average number of outstanding shares, diluted	149,663,837	149,602,372
Earnings per share, diluted (€)	2.36	2.07



ADDITIONAL INFORMATION

24. SEGMENT REPORTING

Segment reporting is based on geographical areas of responsibility in accordance with the PUMA internal reporting structure, with the exception of stichd. The geographical area of responsibility corresponds to the business segment. Sales, the operating result (EBIT) and other segment information are allocated to the corresponding geographical areas of responsibility according to the registered office of the respective Group company.

The internal management reporting includes the following reporting segments: Europe, EEMEA (Eastern Europe, Middle East, Africa, India and Southeast Asia), North America, Latin America, Greater China, Rest of Asia/Pacific (excluding Greater China and Southeast Asia) and stichd. These are reported as reportable business segments in accordance with the criteria of IFRS 8.

The reconciliation includes information on assets, liabilities, expenses and income in connection with centralized functions that do not meet the definition of business segments in IFRS 8. Central expenses and income include in particular central sourcing, central treasury, central marketing, impairment losses on non-current assets and other global functions of the Company headquarters.

The Company's main decision-maker is defined as the entire Management Board of PUMA SE.

The external sales presented in the segment reporting includes sales from both the wholesale business and own retail activities (direct-to-consumer business). The percentage breakdown of sales by wholesale business and direct-to-consumer business at the segment level mainly aligns with the breakdown at the Group level (see chapter 19). Exceptions to this are the Greater China segment, where wholesale sales represent approximately 50%, and the stichd segment, which almost exclusively generates wholesale sales.

The business relationships between the companies in the segments are essentially based on prices that are also agreed with third parties. With the exception of sales of goods by stichd amounting to € 38.3 million (previous year: € 39.2 million), there are no significant internal sales, which is why they are not included in the presentation.

The operating result (EBIT) of the business segments is defined as gross profit less the attributable other operating expenses plus royalty and commission income and other operating income, but not considering the costs of the central departments and the central marketing expenses.

The external sales, operating result (EBIT), inventories and trade receivables of the business segments are regularly reported to the main decision-maker. Amounts recognized by the Group from the intra-group profit elimination on inventories in connection with intra-group sales are not allocated to the business segments in the way that they are reported to the main decision-maker. Investments, depreciation and non-current assets at the level of the business segments are not reported to the main decision-maker. Intangible assets are allocated to the business segments in the manner described in chapter 11. Liabilities, the financial result and income taxes are not allocated to the business segments and are therefore not reported to the main decision-maker at the business segment level.

Non-current assets and depreciation comprise the carrying amounts and depreciation of property, plant and equipment, right-of-use assets and intangible assets during the past financial year. The investments comprise additions to property, plant and equipment and intangible assets.

Since PUMA is active in only one business area, the sporting goods industry, products are additionally allocated according to the Footwear, Apparel and Accessories product segments in accordance with the internal reporting structure.



SEGMENT REPORTING JAN-DEC 2022

➤ T.72 BUSINESS SEGMENTS (€ million)

	External Sales		EBIT		Investments	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Europe	1,922.5	1,523.6	242.0	146.1	33.6	58.5
EEMEA	1,333.3	975.1	308.5	214.6	30.2	34.8
North America	2,531.4	1,969.2	398.9	394.8	67.6	20.1
Latin America	1,098.3	630.9	285.2	151.6	34.6	14.1
Greater China	521.3	766.9	20.2	137.8	20.3	15.9
Asia/Pacific (excluding Greater China)	588.5	533.4	73.4	61.2	7.2	7.3
stichd	469.8	406.2	113.2	101.7	21.2	20.9
Total business segments	8,465.1	6,805.4	1,441.2	1,207.7	214.7	171.6

	Depreciation and amortization		Inventories		Trade Receivables (third parties)	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Europe	58.5	54.4	602.5	364.6	190.3	164.3
EEMEA	55.8	43.7	378.5	221.0	189.4	126.2
North America	71.2	56.0	739.3	469.9	259.2	187.1
Latin America	23.1	14.8	253.1	140.3	200.7	120.4
Greater China	39.7	39.4	179.1	200.5	44.5	65.9
Asia/Pacific (excluding Greater China)	31.6	32.2	114.7	84.5	111.4	119.5
stichd	8.3	7.8	93.9	79.1	66.1	61.7
Total business segments	288.2	248.4	2,361.1	1,559.8	1,061.6	845.1



➤ T.73 CONTINUATION BUSINESS SEGMENTS (€ million)

	Non-current assets	
	1-12/2022	1-12/2021
Europe	477.1	474.6
EEMEA	198.1	164.8
North America	750.4	534.4
Latin America	128.2	75.0
Greater China	86.2	79.1
Asia/Pacific (excluding Greater China)	149.4	158.3
stichd	209.6	194.1
Total business segments	1,999.1	1,680.4

➤ T.74 PRODUCT External Sales (€ million) Gross Profit Margin (in %)

	External Sales		Gross Profit Margin	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Footwear	4,317.9	3,163.6	44.9%	47.3%
Apparel	2,896.3	2,517.3	47.3%	48.9%
Accessories	1,251.0	1,124.5	47.4%	47.1%
Total	8,465.1	6,805.4	46.1%	47.9%



RECONCILIATIONS

➤ T.75 RECONCILIATIONS (€ million)

	EBIT	
	1-12/2022	1-12/2021
Total business segments	1,441.2	1,207.7
Central areas	-364.4	-280.4
Central expenses Marketing	-436.2	-370.2
Consolidation	0.0	0.0
EBIT	640.6	557.1
Financial result	-88.9	-51.8
EBT	551.7	505.3

	Investments		Depreciation and amortization	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Total business segments	214.7	171.6	288.2	248.4
Central areas	49.3	35.9	44.6	39.0
Consolidation	0.0	0.0	0.0	0.0
Total	263.9	207.5	332.8	287.3

	Inventories		Trade Receivables (third parties)		Non-current assets	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Total business segments	2,361.1	1,559.8	1,061.6	845.1	1,999.1	1,680.4
Not allocated to the business segments	-116.0	-67.6	3.3	2.9	211.0	204.4
Total	2,245.1	1,492.2	1,064.9	848.0	2,210.1	1,884.8

**GEOGRAPHICAL INFORMATION**

Sales revenue (with third parties) is reported in the geographical market in which it arises. Non-current assets are allocated to the geographical market based on the registered office of the relevant subsidiary, regardless of the segment structure.

➤ T.76 GEOGRAPHICAL INFORMATION BY COUNTRY (€ million) *

	External Sales		Non-current assets	
	1-12/2022	1-12/2021	1-12/2022	1-12/2021
Germany, Europe	586.3	475.6	488.3	482.7
USA, North America	2,334.2	1,785.1	604.7	424.4

25. NOTES TO THE CASH FLOW STATEMENT

The cash flow statement was prepared in accordance with IAS 7 and is structured based on cash flows from operating, investing and financing activities. The indirect method is used to determine the cash outflow/inflow from operating activities. The gross cash flow, derived from earnings before income tax and adjusted for non-cash income and expense items, is determined within the cash flow from operating activities. Cash outflow/inflow from operating activities less investments in property, plant and equipment as well as intangible assets is referred to as free cash flow.

The cash and cash equivalents reported in the cash flow statement include all cash and cash equivalents shown in the balance sheet under the item "Cash and cash equivalents," i.e. cash on hand, checks and current bank balances including short-term financial investments.

The following table shows the cash and non-cash changes in financial liabilities in accordance with IAS 7.44A:

➤ T.77 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2022 (€ million)

	Notes	Balance 01/01/2022	Non-cash changes		Cash changes	Balance 12/31/2022
			Currency changes	Other		
Financial liabilities						
Lease liabilities	10	1,023.4	12.1	385.0	-190.0	1,230.4
Current financial liabilities	13	68.5	-1.1	0.0	8.4	75.9
Non-current financial liabilities	13	311.5	0.0	0.0	-60.0	251.5
Total		1,403.4	11.1	385.0	-241.6	1,557.8

* Error correction, as no information was given in the previous year.



➤ T.78 RECONCILIATION OF FINANCIAL LIABILITIES TO THE CASH INFLOW/ OUTFLOW FROM FINANCING ACTIVITIES 2021 (€ million)

	Notes	Balance 01/01/2021	Non-cash changes		Cash changes	Balance 12/31/2021
			Currency changes	Other		
Financial liabilities						
Lease liabilities	10	931.7	38.9	213.7	-160.9	1,023.4
Current financial liabilities	13	121.4	0.5	0.0	-53.4	68.5
Non-current financial liabilities	13	145.0	0.0	0.0	166.5	311.5
Total		1,198.1	39.4	213.7	-47.8	1,403.4

The lease liabilities of € 1,230.4 million (previous year: € 1,023.4 million) are broken down into current lease liabilities of € 200.2 million (previous year: € 172.3 million) and non-current lease liabilities of € 1,030.3 million (previous year: € 851.0 million).

The non-current financial liabilities of € 251.5 million (previous year: € 311.5 million) are part of the other non-current financial liabilities.

26. OTHER FINANCIAL COMMITMENTS AND CONTINGENT LIABILITIES

The Company has other financial obligations associated with license, promotional and advertising agreements, which give rise to the following financial obligations as of the balance sheet date:

➤ T.79 (€ million)

	2022	2021
From license, promotional and advertising agreements:		
2023 (2022)	348.6	301.3
2024-2027 (2023-2026)	781.1	650.4
from 2028 (from 2027)	130.8	205.4
Total	1,260.5	1,157.1

As is customary in the industry, the promotional and advertising agreements provide for additional payments on reaching pre-defined goals (e.g., medals, championships). These are contractually agreed, but by their nature cannot be predicted exactly in terms of their timing and amount.

In addition, there are other financial obligations totaling € 186.8 million, of which, € 128.7 million relate to the years from 2024. These include service agreements of € 180.6 million as well as other obligations of € 6.2 million.

Individual PUMA companies are involved in legal disputes arising from normal business activities, e.g. relating to intellectual property rights and copyrights. If an outflow of resources from these legal disputes is classified as probable and the amount of the obligation can be reliably estimated, the risks arising from these legal disputes are included in the other provisions. However, if the probability of occurrence is classified as low, these legal disputes are recognized as contingent liabilities. As of December 31, 2022,



there were contingent liabilities of € 3.1 million. PUMA management believes the impact of this on the net assets, financial position and results of operations of the Company is immaterial.

27 COMPENSATION OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Disclosures pursuant to Section 314(1) 6 HGB (German Commercial Code [Handelsgesetzbuch]) in conjunction with Section 315e HGB.

COMPENSATION OF THE MEMBERS OF THE MANAGEMENT BOARD

The total compensation of the members of the Management Board in the financial year 2022 was € 11.9 million (previous year: € 11.2 million).*

The total remuneration of the Management Board includes the share-based remuneration granted for the financial year with a fair value of € 3.0 million (previous year: € 3.8 million) and 30,968 (previous year: 47,339) virtual shares issued under the PUMA Monetary Unit Plan as well as a fair value of € 1.7 million (previous year: € 0.6 million) and 16,457 (previous year: 7,070) performance shares issued.

TOTAL COMPENSATION OF FORMER MEMBERS OF THE MANAGEMENT BOARD

The total remuneration of former members of the Management Board and their surviving dependents amounted to € 0.7 million in the financial year 2022 (previous year: € 1.2 million).

In addition, there were defined benefit pension obligations to former members of the Management Board and their widows/widowers amounting to € 2.5 million (previous year: € 3.1 million) as well as defined contribution plans from deferred compensation of former members of the Management Board and Managing Directors amounting to € 17.3 million (previous year: € 17.2 million). Both items were recognized as pension obligation within pension provisions to the extent they were not offset against plan assets of an equal amount.

SUPERVISORY BOARD COMPENSATION

The compensation paid to the Supervisory Board comprised fixed compensation and additional compensation for committee activities, and amounted to a total of € 0.2 million (previous year: € 0.2 million).

28. DISCLOSURES RELATED TO NON-CONTROLLING INTERESTS

The summarized financial information about subsidiaries of the Group in which non-controlling interests exist is presented below. This financial information relates to all companies with non-controlling interests in which the identical non-controlling shareholder holds an interest. The figures represent the amounts before intercompany eliminations.

Evaluation of the control of companies with non-controlling interests:

The Group holds a 51% capital share in PUMA United North America LLC, PUMA United Canada ULC and Janed Canada LLC (inactive company). With these companies, there are profit-sharing arrangements in place which differ from the capital share for the benefit of the respective identical non-controlling shareholder. PUMA receives higher license fees in exchange.

* The comparative information has been adjusted in order to correct an error. The incorrect previous year's figure of € 10.5 million has been adjusted to € 11.2 million.



In the financial year 2022, the company PUMA United Aviation North America LLC was founded and assets were transferred to it. 30% of the shares were later sold. Accordingly, PUMA has a 70% share in the company's capital and its earnings.

The contractual agreements with these companies respectively provide PUMA with a majority of the voting rights at the shareholder meetings, and thus the right of disposal regarding these companies. PUMA is exposed to fluctuating returns from the sales-based license fees and from variable earnings. The Group also controls the key activities of these companies. The companies are accordingly included in the consolidated financial statements as subsidiaries with full consolidation with recognition of non-controlling interests.

The non-controlling interests existing on the balance sheet date relate to PUMA United North America LLC, PUMA United Canada ULC and Janed Canada, LLC (inactive) and PUMA United Aviation North America LLC at € 67.1 million (previous year: € 65.2 million).

The following tables show a summary of the financial information for subsidiaries with non-controlling interests:

➤ T.80 ASSETS AND LIABILITIES (€ million)

	2022	2021
Current assets	105.8	105.1
Non-current assets	10.3	3.8
Current liabilities	40.4	39.5
Non-current liabilities	0.0	0.0
Net assets	75.7	69.5
Net assets attributable to non-controlling interests	67.1	65.2

➤ T.81 INCOME STATEMENT (€ million)

	2022	2021
Sales	452.2	422.9
Net income	72.0	67.9
Profit attributable to non-controlling interests	70.9	67.2
Other comprehensive income of non-controlling interests	4.1	4.3
Total comprehensive income of non-controlling interests	75.0	71.5
Dividends paid to non-controlling interests	73.3	47.8

➤ **T.82 CASH** (€ million)

	2022	2021
Net cash from operating activities	79.4	52.8
Net cash used in investing activities	0.0	0.0
Net cash used in financing activities	-80.1	-52.4
Changes in cash and cash equivalents	-0.4	0.4

29. RELATED PARTY RELATIONSHIPS

In accordance with IAS 24, relationships to related companies and persons that control or are controlled by the PUMA Group must be reported. All natural persons and companies that can be controlled by PUMA, that can exercise relevant control over the PUMA Group or that are under the relevant control of another related party of the PUMA Group are considered to be related companies or persons within the meaning of IAS 24.

As of December 31, 2022, there was one shareholding in PUMA SE that exceeded 20% of the voting rights. This is held by the Pinault family via several companies that the family controls (in order of proximity to the Pinault family: Financière Pinault S.C.A., Artémis S.A.S. and Kering S.A.). The shareholding of Kering S.A. in PUMA SE amounts to 3.96% of share capital according to Kering's 2022 half-year financial report of July 27, 2022. The shareholding of Artémis S.A.S. and Kering S.A. together amounts to 32.48% of the share capital of PUMA SE. Since Artémis S.A.S. and Kering S.A. hold more than 20% of the voting rights in PUMA SE, they are presumed to have significant influence according to IAS 28.5 and IAS 28.6. They and all other companies directly or indirectly controlled by Financière Pinault S.C.A. that are not included in the consolidated financial statements of PUMA SE are considered as related parties in the following.

In addition, the disclosure obligation pursuant to IAS 24 extends to transactions with associated companies as well as transactions with other related companies and persons.

Transactions with related companies and persons largely concern the sale of goods and services.

The following overview illustrates the scope of the business relationships:

➤ **T.83** (€ million)

	Deliveries and services rendered		Deliveries and services received	
	2022	2021	2022	2021
Companies included in the Artémis Group	1.7	1.8	0.1	0.1
Other related companies and persons	0.0	0.0	0.0	0.0
Total	1.7	1.8	0.1	0.1



➤ T.84 (€ million)

	Net receivables from		Liabilities to	
	2022	2021	2022	2021
Companies included in the Artémis Group	0.3	0.4	0.0	0.0
Other related companies and persons	0.0	0.0	0.0	0.0
Total	0.3	0.4	0.0	0.0

Receivables from related companies and persons are, with one exception, not subject to value adjustments.

Classification of the remuneration of key management personnel in accordance with IAS 24.17:

The members of key management personnel in accordance with IAS 24 are the Management Board and the Supervisory Board. These are counted as related parties.

In the financial year 2022, the remuneration of the members of the Management Board of PUMA SE for short-term benefits amounted to € 7.2 million (previous year: € 6.8 million), for termination benefits to € 0.0 million (previous year: € 0.9 million) and the share-based payment € -0.5 million (previous year: € 9.3 million). Furthermore, no remuneration was granted in the form of other long-term benefits or in the form of post-employment benefits in the reporting year (previous year: € 0.0 million). Accordingly, the total expense for the reporting year amounted to € 6.7 million (previous year: € 17.0 million).

In the financial year 2022, the remuneration of the members of the Supervisory Board of PUMA SE for short-term benefits amounted to € 0.2 million (previous year: € 0.2 million).

30. CORPORATE GOVERNANCE

In November 2022, the Management Board and the Supervisory Board submitted the required compliance declaration with respect to the recommendations issued by the Government Commission German Corporate Governance Code pursuant to Section 161 of the AktG (Aktiengesetz, German Stock Corporation Act) and published it on the Company's website (www.PUMA.com). Please also refer to the corporate governance statement in accordance with section 289f and section 315d HGB (Handelsgesetzbuch, German Commercial Code) in the Combined Management Report.

31. EVENTS AFTER THE BALANCE SHEET DATE

No events with any significant effect on the net assets, financial position and results of operations of the PUMA Group occurred after the balance sheet date.



32. DATE OF RELEASE

The Management Board of PUMA SE released the consolidated financial statements on February 2, 2023 for distribution to the Supervisory Board. The task of the Supervisory Board is to review the consolidated financial statements and state whether it approves them.

Herzogenaurach, February 2, 2023

The Management Board

Freundt

Hinterseher

Descours

Valdes

This is a translation of the German version. In case of doubt, the German version shall apply.



APPENDIX 1 OF THE CONSOLIDATED FINANCIAL STATEMENTS

➤ T.85 CHANGES IN FIXED ASSETS 2021 (€ million)

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers ¹⁾	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 12/31/2021	Balance 12/31/2020
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	190.3	5.8	6.3		-33.8	168.6	-58.3	-0.3	-6.4		18.0	-47.0	121.6	131.9
Technical equipment and machines	21.1	89.5	35.3		-0.8	145.2	-12.8	-1.2	-6.1		0.6	-19.5	125.7	8.4
Other equipment, factory and office equipment	494.9	36.6	78.5		-35.9	574.1	-340.3	-14.7	-70.7		34.6	-391.1	183.0	154.6
Payments on account and assets under construction	112.0	-108.3	40.5		-2.1	42.1							42.1	112.0
	818.3	23.7	160.6		-72.6	930.0	-411.4	-16.2	-83.2		53.3	-457.6	472.4	406.9



	Purchase costs					Accumulated depreciation						Carrying amounts		
	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 1/1/2021	Currency changes and other changes	Additions/ retransfers ¹⁾	Changes in group of consolidated companies	Disposals	Balance 12/31/2021	Balance 12/31/2021	Balance 12/31/2020
RIGHT-OF-USE ASSETS														
Real Estate – Retail stores	537.2	26.5	130.9		-41.1	653.5	-182.0	-8.6	-115.1		35.1	-270.6	382.9	355.2
Real Estate – Warehouses & offices	566.5	18.6	100.7		-18.8	667.0	-102.2	-4.1	-70.3		15.4	-161.2	505.8	464.3
Others (technical equipment and machines and vehicles)	73.4	4.1	10.3		-18.8	69.1	-15.3	-0.5	-9.3		7.9	-17.2	51.9	58.1
	1,177.2	49.2	241.9		-78.7	1,389.5	-299.6	-13.2	-194.7		58.5	-449.0	940.5	877.6
INTANGIBLE ASSETS														
Goodwill	288.3	3.2				291.5	-46.8					-46.8	244.7	241.4
Intangible assets with an indefinite useful life	133.6	9.7				143.3	-17.7					-17.7	125.6	115.9
Other intangible assets	240.6	4.0	46.9		-15.0	276.5	-154.6	-0.8	-27.8		8.1	-175.1	101.6	86.1
	662.5	16.9	46.9		-15.0	711.4	-219.1	-0.8	-27.8		8.1	-239.6	471.9	443.4

1) In the financial year 2021 there was no impairment of property, plant and equipment (previous year: € 0.0 million, see chapter 9), an impairment of right-of-use assets of € 18.5 million (previous year: € 16.1 million, see chapter 10) and an impairment of intangible assets of € 0.0 million (previous year: € 1.9 million, see chapter 11).



➤ T.86 CHANGES IN FIXED ASSETS 2022 (€ million)

	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers"	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 12/31/2022	Balance 12/31/2021
PROPERTY, PLANT AND EQUIPMENT														
Land, land rights and buildings including buildings on third party land	168.6	5.9	0.9		-0.2	175.2	-47.0	-1.6	-6.0		0.1	-54.5	120.7	121.6
Technical equipment and machines	145.2	19.3	6.8		-0.5	170.8	-19.5	-9.2	-9.0		0.4	-37.3	133.5	125.7
Other equipment, factory and office equipment	574.1	64.4	112.7		-45.0	706.2	-391.1	-16.4	-79.3		43.6	-443.2	263.1	183.0
Payments on account and assets under construction	42.1	-44.0	79.5		-2.4	75.1		-0.1				-0.1	75.0	42.1
	930.0	45.5	199.9		-48.1	1,127.3	-457.6	-27.4	-94.3		44.2	-535.2	592.2	472.4



	Purchase costs						Accumulated depreciation						Carrying amounts	
	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 1/1/2022	Currency changes and other changes	Additions/ retransfers ¹⁾	Changes in group of consolidated companies	Disposals	Balance 12/31/2022	Balance 12/31/2022	Balance 12/31/2021
RIGHT-OF-USE ASSETS														
Real Estate – Retail stores	653.5	13.3	187.1		-58.9	795.0	-270.6	-5.8	-135.5		47.8	-364.1	430.9	382.9
Real Estate – Warehouses & offices	667.0	8.4	188.8		-27.1	837.1	-161.2	-0.8	-82.1		20.1	-223.9	613.1	505.8
Others (technical equipment and machines and vehicles)	69.1	-7.1	29.5		-6.0	85.5	-17.2	3.6	-10.6		6.0	-18.2	67.3	51.9
	1,389.5	14.6	405.4		-92.0	1,717.6	-449.0	-3.1	-228.1		73.9	-606.2	1,111.3	940.5
INTANGIBLE ASSETS														
Goodwill	291.5	-2.2				289.3	-46.8	0.2				-46.6	242.7	244.7
Intangible assets with an indefinite useful life	143.2	7.8				151.0	-17.6					-17.6	133.4	125.6
Other intangible assets	276.6	2.7	64.0		-2.4	341.0	-175.1	-1.3	-36.3		2.2	-210.5	130.4	101.6
	711.4	8.3	64.0		-2.4	781.2	-239.5	-1.2	-36.3		2.2	-274.7	506.5	471.9

1) In the financial year 2022 there was an impairment of property, plant and equipment of € 0.6 million (previous year: € 0.0 million, see chapter 9), an impairment of right-of-use assets of € 25.4 million (previous year: € 18.5 million, see chapter 10) and no impairment of intangible assets (previous year: € 0.0 million, see chapter 11).



APPENDIX 2 OF THE CONSOLIDATED FINANCIAL STATEMENTS

MEMBERS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND THEIR MANDATES STATUS: DECEMBER 31, 2022

MEMBERS OF THE MANAGEMENT BOARD AND THEIR MANDATES

Arne Freundt

Since November 8, 2022: Chief Executive Officer (CEO)

Hubert Hinterseher

Chief Financial Officer (CFO)

Anne-Laure Descours

Chief Sourcing Officer (CSO)

Bjørn Gulden (until December 31, 2022)

Membership of other supervisory boards and controlling bodies:

- Salling Group A/S, Brabrand/Denmark (Chair)
- Borussia Dortmund GmbH & Co. KGaA, Dortmund (until December 31, 2022)
- Tchibo GmbH, Hamburg
- Essity Aktiebolag (publ), Stockholm/Sweden

Maria Valdes (since January 1, 2023)

Chief Product Officer (CPO)

MEMBERS OF THE SUPERVISORY BOARD AND THEIR MANDATES

Héloïse Temple-Boyer (since April 18, 2019)

(since May 11, 2022: **Chair**)

Paris, France

Deputy CEO of ARTÉMIS S.A.S., Paris/France

Membership of other supervisory boards and controlling bodies¹⁾:

- Kering S.A., Paris/France
- Giambattista Valli S.A.S., Paris/ France
- Société d'exploitation de l'hebdomadaire le Point S.A., Paris/France
- ACHP Plc, London/United Kingdom
- Christie's International Plc, London/United Kingdom
- Palazzo Grassi S.p.A., Venice/Italy
- Compagnie du Ponant S.A.S., Marseille/France
- Pinault Collection, Paris/France
- Le Point Communication, Paris/France
- Arvag S.A.S., Marseille/France
- Garuda S.A., Paris/France
- Royalement Vôtre Editions S.A.S., Paris/France

1) All mandates are mandates within the ARTÉMIS-Group, with the exception of Royalement Vôtre Editions S.A.S. Kering S.A. is a listed company.



Thore Ohlsson (since May 21, 1993)
(Deputy Chair)
Falsterbo, Sweden

President of Elimexo AB, Falsterbo/Sweden

Membership of other supervisory boards and controlling bodies:

- Tomas Frick AB, Vellinge/Sweden
- Orrefors Kosta Boda AB, Kosta/Sweden
- Infinitive AB, Malmö/Sweden
- Friskvårdcenter AB, Malmö/Sweden
- Totestories AB, Vellinge/Sweden

Jean-François Palus (since June 16, 2007)
Paris, France

Group Managing Director and member of the Board of Directors of Kering S.A., Paris/France, responsible for Strategy, Operations and Organization

Membership of other supervisory boards and controlling bodies²⁾:

- Kering Americas, Inc., New York/USA
- Guccio Gucci S.p.A., Florence/Italy
- Gucci America, Inc., New York/USA
- Kering Eyewear S.p.A., Padua/Italy
- Birdswan Solutions Ltd., Haywards Heath/West Sussex/United Kingdom
- Paintgate Ltd., Haywards Heath/West Sussex/United Kingdom
- Kering Asia Pacific Ltd., Hong-Kong/China
- Kering South East Asia Pte Ltd., Singapore
- Boucheron S.A.S., Paris/France
- Kering Beauté SAS, Paris/France
- Kering Canada Services Inc, Vancouver/Canada

2) All mandates are mandates within the Kering-Group. Kering S.A. is a listed company. All other companies within the Kering-Group are not listed.

Fiona May (since April 18, 2019)
Calenzano, Italy

Independent Management Consultant

Membership of other supervisory boards and controlling bodies:

- R.C.S. Media Group Active Team Srl, Milano/Italy

Martin Köppel (since July 25, 2011)
(Employees' Representative)
Weisendorf, Germany

Chair of the Works Council of PUMA SE



Bernd Illig (since July 9, 2018)
(Employees' Representative)
Bechhofen, Germany

Senior Administrator IT Systems of PUMA SE

SUPERVISORY BOARD COMMITTEES

Personnel Committee

- Héloïse Temple-Boyer (Chair) (since May 11, 2022)
- Fiona May
- Martin Köppel
- Jean-François Palus (until May 11, 2022)

Audit Committee

- Thore Ohlsson (Chair)
- Héloïse Temple-Boyer
- Bernd Illig

Nominating Committee

- Héloïse Temple-Boyer (since May 11, 2022: Chair)
- Jean-François Palus (until May 11, 2022: Chair)
- Fiona May

Sustainability Committee

- Fiona May (Chair)
- Héloïse Temple-Boyer
- Martin Köppel



DECLARATION BY THE LEGAL REPRESENTATIVES

We state to the best of our knowledge that the consolidated financial statements give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with the applicable accounting principles, and that the Group management report, which is combined with the Management report of PUMA SE for the financial year 2022, provides a true and fair view of the course of the development and performance of the business and the position of the Group, together with a description of the principal risks and opportunities associated with the expected performance of the Group.

Herzogenaurach, February 2, 2023

The Management Board

Freundt

Hinterseher

Descours

Valdes



For the Consolidated Financial Statements and Group Management Report we have issued an unqualified auditor's report. The English language text below is a translation of the auditor's report. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

INDEPENDENT AUDITOR'S REPORT

To PUMA SE, Herzogenaurach

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

OPINIONS

We have audited the consolidated financial statements of PUMA SE, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the management report of the Company and the Group (combined management report) of PUMA SE for the financial year from January 1 to December 31, 2022.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2022, and of its financial performance for the financial year from January 1 to December 31, 2022, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.



Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

BASIS FOR THE OPINIONS

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

KEY AUDIT MATTERS IN THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Revenue recognition cut-off for wholesale customers

For information on the accounting policies applied, please refer to Sections 2 and 19 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

The consolidated financial statements of PUMA SE for financial year 2022 report revenue of EUR 8,465.1 million. Revenue includes revenue of EUR 6,513.7 million from the sale of goods to wholesale customers.

The Group recognizes revenue from the sale of goods to wholesale customers when it fulfils a performance obligation through the transfer of a promised asset to a customer. An asset is transferred when (or as) the customer obtains control of that asset. In accordance with the transfer of control, revenue from wholesale customers is recognized at a point in time in the amount to which the Group is entitled.

The Management Board of PUMA SE has defined the criteria for the recognition of revenue at a point in time in a group-wide accounting policy and implemented processes for correct recognition and cut-off.

In the final weeks prior to the reporting date, a range of transactions with wholesale customers take place with individual contractual agreements on the transfer of risk. In addition, there are internally defined and externally communicated revenue targets for the financial year, which represent a key benchmark for measuring corporate success.

There is the risk for the consolidated financial statements that revenue in the reporting year is overstated due to it being recognized in the wrong period, meaning that it is not recorded on an accrual basis.



OUR AUDIT APPROACH

In order to audit revenue recognition cut-off for wholesale customers, we assessed the design, setup and effectiveness of the internal controls relating to outgoing goods and the acceptance of goods and invoicing, in particular the determination and verification of the correct transfer of control. In addition, we reviewed the presentation of revenue recognition in the group-wide accounting policy to ensure compliance with IFRS 15.

Furthermore, we assessed revenue recognition cut-off for wholesale customers by reconciling invoices with the related orders, underlying contracts and external delivery records. This was based on revenue recognized at the end of December 2022 and selected using a mathematical/statistical procedure.

OUR OBSERVATIONS

PUMA SE's approach to revenue recognition cut-off with wholesale customers is appropriate.

Impairment testing of right-of-use assets for retail stores

For information on the accounting policies applied, please refer to Sections 1, 2 and 10 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

As of December 31, 2022, right-of-use assets of EUR 1,111.3 million are recognized in the consolidated financial statements of PUMA SE. A significant portion of the right-of-use assets is attributable to retail stores (EUR 430.9 million). Right-of-use assets amount to 16.4% of total assets and thus have a material influence on the Company's net assets.

Owing to the large number of leases and the resulting transactions, the Company has set up group-wide processes and controls for the measurement of leases.

Right-of-use assets for retail stores are tested for impairment at the level of the individual retail stores as cash-generating units. The impairment test compares the carrying amount of the cash-generating unit with its recoverable amount. The Company determines the recoverable amount for the retail stores indicating potential impairment by using the discounted cash flow method. If the carrying amount exceeds the recoverable amount, an impairment loss is recognized for the right-of-use asset of the cash-generating unit. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

Impairment testing of right-of-use assets for retail stores is complex and based on a range of assumptions that require judgment. Among others, these include the business and earnings performance of the retail store for the next year, the assumed growth rates, the applied discount rate and the use of extension options. The uncertainty associated with these estimates has been further heightened, particularly in relation to retail stores in Russia. The Company recognized impairment losses in the amount of EUR 25.4 million for right-of-use assets for retail stores during the financial year.

In particular owing to the judgments for measuring right-of-use assets for retail stores, there is the risk for the consolidated financial statements that an impairment of right-of-use assets may not be identified.



OUR AUDIT APPROACH

Using the information obtained during our audit, we assessed whether there were any indicators of impairment for right-of-use assets for retail stores. In doing so, we thoroughly examined the Company's approach to determining the need to recognize impairment losses and, based on the information obtained in the course of our audit, assessed whether there were any indications of impairment that had not been identified by the Company.

With the involvement of our valuation specialists, for a sample of retail stores selected based on risk, we then assessed (among other things) the appropriateness of the Company's calculation method. For this purpose we discussed the expected business and earnings development for the retail stores selected in this sample and the assumed growth rates with those responsible for planning. Where accounting judgments were made for determining the lease term, we examined these judgments to determine whether the underlying assumptions were comprehensible in light of the prevailing market conditions and risks in the industry.

We also assessed the accuracy of the Company's previous forecasts for the affected right-of-use assets by comparing the budgets from the previous financial year for the selected retail stores in the sample with the actual results, and we analyzed any deviations. Further, we compared the assumptions and data underlying the discount rates with our own assumptions and publicly available data. We also assessed whether the calculation method for the discount rate was appropriate.

We verified the computational accuracy of the carrying amount of the right-of-use assets determined by PUMA SE for the retail stores included in the sample.

In order to take forecast uncertainty into account, we examined the impact of potential changes in the discount rate, earnings performance and long-term growth rates on the value in use by calculating alternative scenarios for the selected sample and comparing these with the values stated by the Company (sensitivity analysis).

OUR OBSERVATIONS

The calculation method used for impairment testing of right-of-use assets for retail stores is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and data used for the measurement of the right-of-use assets for retail stores are appropriate.

OTHER INFORMATION

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the separate combined non-financial report of the Company and the Group referred to in the combined management report, but which is not expected to be provided to us until after the date of this independent auditor's report,
- the combined corporate governance statement for the Company and Group, which is included in a separate section of the combined management report, and
- information extraneous to combined management reports and marked as unaudited.



The other information also includes the annual report, which is expected to be made available to us after the date of this independent auditor's report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Management Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as it has determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of



future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

REPORT ON THE ASSURANCE ON THE ELECTRONIC RENDERING OF THE CONSOLIDATED FINANCIAL STATEMENTS AND THE COMBINED MANAGEMENT REPORT PREPARED FOR PUBLICATION PURPOSES IN ACCORDANCE WITH SECTION 317 (3A) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "pumase-2022-12-31-de (1).zip" (SHA256 hash value: 4bb0ac70e10cd5ce532c49039d53ecc32237069a2ca9bb223840d0e13236d3a1) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2022, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

Owing to the conversion process selected by the Company concerning the information in the notes in iXBRL format (block tagging), the consolidated financial statements converted into the ESEF format are not machine-readable in a fully meaningful respect. There is significant legal uncertainty regarding the legal conformity of management's interpretation that meaningful machine-readability of the structured



information in the notes is not explicitly required by Commission Delegated Regulation (EU) 2019/815 for the block tagging of notes, which thus also constitutes an inherent uncertainty of our audit.

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.



FURTHER INFORMATION PURSUANT TO ARTICLE 10 OF THE EU AUDIT REGULATION

We were elected as group auditor at the Annual General Meeting on May 11, 2022. We were engaged by the Supervisory Board on July 11, 2022. We have been the group auditor of PUMA SE since financial year 2022.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

In addition to the financial statement audit, we have provided to group entities the following services that are not disclosed in the consolidated financial statements or in the combined management report: As well as the consolidated financial statements, we also audited the annual financial statements and combined management report of PUMA SE and conducted various audits of annual financial statements at subsidiaries, a review of interim financial statements as well as of the combined non-financial statement. Furthermore, statutory EMIR assessments pursuant to Section 20 of the German Securities Trading Act [WpHG] were performed.

OTHER MATTER – USE OF THE AUDITOR'S REPORT

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered into the Company register – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Matthias Koeplin.

Nuremberg, February 8, 2023.

KPMG AG

Wirtschaftsprüfungsgesellschaft

Koeplin
Wirtschaftsprüfer
[German Public Auditor]

Dr. Schroff
Wirtschaftsprüfer
[German Public Auditor]



REPORT ON EQUALITY AND EQUAL PAY

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REPORT ON EQUALITY AND EQUAL PAY

Publication as an annex to the Combined Management Report 2022

According to the German Pay Transparency Act (EntgTranspG), employers are obliged to prepare a report on equality and equal pay if they generally employ more than 500 employees and are obliged to prepare a management report in accordance with the German Commercial Code. This "Report on Equality and Equal Pay" was prepared for PUMA SE in accordance with Sections 21, 22 EntgTranspG and is published as an annex to the Combined Management Report 2022.

Respect, tolerance and equality are integral components of PUMA SE's corporate culture. They have been anchored in the PUMA Code of Ethics since 2005. Adequate and equal remuneration for equivalent activities regardless of gender is one of the basic principles of PUMA's remuneration policy. In 2010, PUMA joined the "Diversity Charter" corporate initiative. The implementation of the "Diversity Charter" aims to create an appreciative working environment for all employees - regardless of age, ethnic origin and nationality, gender and gender identity, physical and mental abilities, religion and worldview, sexual orientation and social origin. In addition, PUMA has joined the global non-profit organization "Catalyst" as part of a cooperation aimed at increasing the representation of women in corporate management and promoting equal access to career opportunities.

MEASURES TO PROMOTE GENDER EQUALITY

The gender distribution of employees in the PUMA Group is balanced today, with approximately 50% female employees and 50% male employees.

In 2022, women accounted for 44% of all management levels worldwide. Thanks to various measures with which PUMA has worked on equal opportunities, this figure has increased continuously in recent years (2018: 40%, 2019: 41%, 2020: 43%, 2021: 44%, 2022: 44%). However, we are not satisfied with this and are striving to increase the proportion of women in management positions, especially at the higher management levels, worldwide in the coming years. Thus, the Supervisory Board of PUMA SE has set a target of at least 2 women (33%) for the proportion of women on the Supervisory Board. For the Management Board, the Supervisory Board has set the following targets for the proportion of women: (i) at least 1 woman (25%), on condition that PUMA SE has four Management Board members, (ii) at least 1 woman (20%), on condition that PUMA SE has five Management Board members, (iii) at least 2 women (33%), on condition that PUMA SE has six Management Board members. The new targets are to be achieved by October 31, 2026.

In addition, with regard to PUMA SE, the Management Board has set a target of 30% for the first management level below the Management Board and a target of 35% for the second management level below the Management Board. At Group level, the share of women is to be 30% for the first management level below the Management Board and 40% for the second management level. The implementation deadline here is also October 31, 2026.

PUMA wants to continuously support the development of women in management positions. For this reason, we offer special training and access to inspiring networks. The exchange with experienced female managers is intended to encourage and motivate female employees to take on leading roles within the company themselves.

As a family- and life-phase-conscious employer, we take a deeper look at the needs of families and, beyond that, at the needs of employees throughout their working lives - from entry to exit. The sustainable design of our P&O policy was awarded the "audit berufundfamilie" quality seal in 2015 and 2021.



Flexible working time models and the option of part-time and mobile working give employees maximum flexibility in terms of location and time. Additional leeway is provided by the offer of sabbaticals. We also offer places in kindergartens and daycare centers, a parent-child office, a breastfeeding room, an external service provider for childcare and care of relatives, life coaching, and vacation programs for employees' children. These measures show that we are systematically and sustainably committed to a family-friendly working environment and make it a natural part of our corporate culture.

In 2022, PUMA received the German Diversity Award from the "BeyondGenderAgenda" network in the Company of the Year category. "BeyondGenderAgenda" aims to secure and expand the international competitiveness of German business in the long term by integrally embedding diversity, equity & inclusion (DE&I) in the DNA of listed and medium-sized companies. Based on the link between DE&I and business performance, the aim is to ensure equal opportunities for executives regardless of gender, age, cultural origin, sexual orientation, gender identity, and physical impairment when filling management board positions and supervisory board mandates, thus bringing about a cultural change with the involvement of politics, society, and business.

As a further measure to promote equality between women and men, the General Equal Treatment Act (AGG) and potential violations are addressed both in our training for managers on the topic of personnel selection and in the training on labor law for managers.

We see the fact that PUMA has had two women on the Management Board of four since January 1, 2023, in the form of Anne-Laure Descours and Maria Valdes, as a success of our efforts to achieve equal opportunities.

MEASURES TO ACHIEVE EQUAL PAY FOR WOMEN AND MEN

PUMA SE is bound by collective bargaining agreements. The grouping into the individual collective bargaining groups is carried out in a gender-neutral manner on the basis of the collective pay agreement.

PUMA attaches great importance to promoting equal pay. Therefore, as part of a global job evaluation and leveling project, we evaluated all positions on the basis of their job description according to a well-known job evaluation method and implemented a grading structure based on this. Since the criteria to be evaluated refer exclusively to characteristics of the function - not to the job holder - the remuneration system is gender-neutral in the sense of the EntgTranspG. This allows us to rule out gender discrimination that originates in the remuneration system.

This grading structure enables us to implement the annual salary increase process in a structured, standardized and transparent manner. In the annual salary increase process, only the two criteria of individual performance assessment and position in the salary band are taken into account. The increase percentages are agreed in advance with the Works Council in a corresponding table and are transparent to managers. This procedure compensates for inequalities within a salary band. In addition, employees on leave of absence (e.g. maternity leave, parental leave, sabbatical) also participate in the salary increase process and receive a salary increase in line with their percentile and a performance assessment of 100%. This ensures equal treatment and prevents the emergence of pay gaps.

In addition, the bonus structure at PUMA is also designed to be non-discriminatory in that the bonus component is linked to the position level and only company performance indicators are taken into account.

Based on the grades, we conducted a gender pay gap analysis for all German employees for the first time in 2022 and were certified as a "Universal Fair Pay Analyst" by the "FPI Fair Pay Innovation Lab". Taking into account the control variables partial retirement, age, time in position, recruited internally/externally, children, part-time, performance assessment, job family group, management responsibility, nationality and grades, women at PUMA in Germany receive the same target direct remuneration as men. Excluding



potentially discriminatory factors such as part-time employment and children, the analysis still showed a minor pay gap, which we would like to close by next year.

It goes without saying that employees have the opportunity to obtain information about their individual pay equity within the framework of the EntgTranspG.

In addition, we are in constant dialog with the employee representatives of PUMA SE on these issues.

Statistical data as of December 31, 2022:

Number of employees: 1330

- thereof women: 651 (49%)
- thereof men: 679 (51%)

Number of full-time employees: 1173 (88%)

- thereof women: 519 (44%)
- of which men: 654 (56%)

Number of part-time employees: 157 (12%)

- of which women: 132 (84%)
- of which men: 25 (16%)

In the years 2018 to 2022, we did not employ any employee with affiliation to the third gender at PUMA SE.



ADDITIONAL INFORMATION

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BREANNA
STEWART





THE PUMA SHARE

The PUMA share had a negative performance in the financial year 2022. The closing price of PUMA shares on the last trading day in the financial year 2022 (December 30) was € 56.70, which was 47.2% lower than the closing price of the previous year. The market capitalization of the PUMA Group decreased accordingly from € 16.1 billion at the end of the financial year 2021 to € 8.5 billion at the end of the financial year 2022. PUMA shares started into 2022 at a price of € 107.50. In the following twelve months, the price ranged between € 108.00 (January 4, 2022 / +0.8%) and € 43.85 (October 21, 2022 / -59.1%). The daily trading volume of PUMA shares increased from an average of 281 thousand shares in the previous year to an average of 519 thousand shares in the financial year 2022. As part of the quarterly index review, the PUMA share has been relisted on the MDAX stock exchange index since December 2022. The PUMA share was previously a member of the DAX since September 2021.

➤ T.01 KEY DATA PER SHARE*

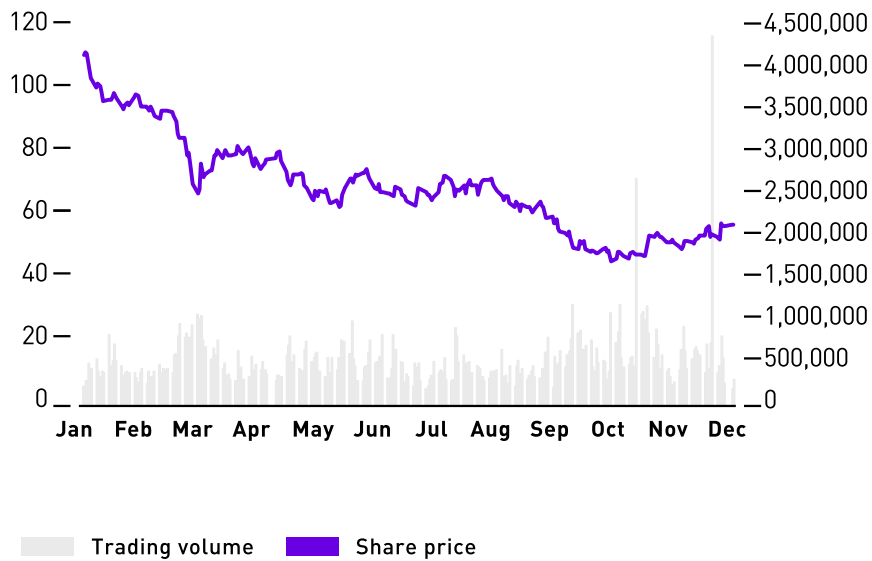
		2022	2021	2020	2019	2018	2017	2016
End of year price	€	56.70	107.50	92.28	68.35	42.70	36.30	24.97
Highest price listed	€	108.00	114.70	92.28	72.95	52.50	39.14	24.97
Lowest price listed	€	43.85	80.42	42.14	43.00	31.70	24.35	16.82
Daily trading volume (Ø)	amount in thousands	519	281	423	387	444	67	34
Earnings per share	€	2.36	2.07	0.53	1.76	1.25	9.09	4.17
Gross cashflow per share	€	6.14	5.49	3.50	4.71	2.66	2.21	1.22
Free cashflow (before acquisitions) per share	€	1.19	1.85	1.85	2.22	1.00	0.86	0.38
Shareholders' equity per share	€	16.97	15.23	11.79	12.84	11.52	11.09	11.53
Dividend per share	€	0.82	0.72	0.16	0.50	0.35	1.25**	0.08

* Disclosures for the prior periods were adjusted retroactively to the 1:10 stock split carried out in the second quarter of 2019

** one/time special dividend



➤ G.01 PUMA SHARE PERFORMANCE / TRADING VOLUME



The PUMA share has been registered for the regulated market on German stock exchanges since 1986. It is listed in the Prime Standard Segment and the Mid-Cap Index MDAX of the German Stock Exchange (Deutsche Börse). Moreover, membership in the FTSE4Good index was once again confirmed.



PUMA YEAR-ON-YEAR COMPARISON

➤ T.02 PUMA YEAR-ON-YEAR COMPARISON (in € million)

	2022	2021	Deviation
Sales			
Consolidated sales	8,465.1	6,805.4	24.4%
– Footwear	4,317.9	3,163.6	36.5%
– Apparel	2,896.3	2,517.3	15.1%
– Accessories	1,251.0	1,124.5	11.2%
Result of operations			
Gross profit	3,902.7	3,257.8	19.8%
EBIT	640.6	557.1	15.0%
EBT	551.7	505.3	9.2%
Net earnings	353.5	309.6	14.2%
Profitability			
Gross profit margin	46.1%	47.9%	-1.8%pt
EBT margin	6.5%	7.4%	-0.9%pt
Net earnings margin	4.2%	4.5%	-0.3%pt
Return on capital employed (ROCE)	28.4%	31.9%	-3.5%pt
Return on equity (ROE)	13.9%	13.6%	0.3%pt
Balance sheet information			
Shareholders' equity	2,538.8	2,278.5	11.4%
– Equity ratio	37.5%	39.8%	-2.3%pt
Working capital	1,086.8	727.9	49.3%
– in % of consolidated sales	12.8%	10.7%	2.1%pt
Cash flow and investments			
Gross cash flow	918.9	821.2	11.9%
Free cash flow	177.5	276.2	-35.7%
Investments (before acquisition)	263.6	202.4	30.2%
Acquisition investments	0.0	0.0	-



	2022	2021	Deviation
Employees			
Number of employees (annual average)	16,669	14,846	12.3%
Sales per employee (k€)	507.8	458.4	10.8%
PUMA share			
Share price (in €)	56.70	107.50	-47.2%
Average outstanding shares (in million)	149.65	149.59	0.0%
Number of shares outstanding as of Dec, 31 (in million)	149.76	149.61	0,1%
Earnings per share (in €)	2.36	2.07	14.1%
Market capitalization	8,491	16,083	-47.2%
Average trading volume (amount/day)	519,477	281,047	84.8%



PUMA GROUP DEVELOPMENT

➤ T.03 PUMA GROUP DEVELOPMENT (in € million)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Sales										
Consolidated sales	8,465.1	6,805.4	5,234.4	5,502.2	4,648.3	4,135.9	3,626.7	3,387.4	2,972.0	2,985.3
– Change in %	24.4%	30.0%	-4.9%	18.4%	12.4%	14.0%	7.1%	14.0%	-0.4%	-8.7%
– Footwear	4,317.9	3,163.6	2,367.6	2,552.5	2,184.7	1,974.5	1,627.0	1,506.1	1,282.7	1,372.1
– Apparel	2,896.3	2,517.3	1,974.1	2,068.7	1,687.5	1,441.4	1,333.2	1,244.8	1,103.1	1,063.8
– Accessories	1,251.0	1,124.5	892.7	881.1	776.1	719.9	666.5	636.4	586.3	549.4
Result of operations										
Gross profit	3,902.7	3,257.8	2,458.0	2,686.4	2,249.4	1,954.3	1,656.4	1,540.2	1,385.4	1,387.5
– Gross profit margin	46.1%	47.9%	47.0%	48.8%	48.4%	47.3%	45.7%	45.5%	46.6%	46.5%
Royalty and commission income	33.8	23.9	16.1	25.1	16.3	15.8	15.7	16.5	19.4	20.8
EBIT ¹⁾	640.6	557.1	209.2	440.2	337.4	244.6	127.6	96.3	128.0	191.4
– EBIT margin	7.6%	8.2%	4.0%	8.0%	7.3%	5.9%	3.5%	2.8%	4.3%	6.4%
EBT	551.7	505.3	162.3	417.6	313.4	231.2	118.9	85.0	121.8	53.7
– EBT margin	6.5%	7.4%	3.1%	7.6%	6.7%	5.6%	3.3%	2.5%	4.1%	1.8%
Net earnings	353.5	309.6	78.9	262.4	187.4	135.8	62.4	37.1	64.1	5.3
– Net margin	4.2%	4.5%	1.5%	4.8%	4.0%	3.3%	1.7%	1.1%	2.2%	0.2%



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses										
Marketing/retail	1,578.5	1,309.1	1,050.2	1,112.1	931.2	822.9	732.3	697.6	599.7	544.1
Personnel	846.5	712.4	583.7	640.5	553.8	549.1	493.1	483.8	425.3	415.7
Balance sheet										
Total assets	6,772.7	5,728.3	4,684.1	4,378.2	3,207.2	2,853.8	2,765.1	2,620.3	2,549.9	2,308.5
Shareholders' equity	2,538.8	2,278.5	1,763.9	1,902.3	1,722.2	1,656.7	1,722.2	1,619.3	1,618.3	1,497.3
– Equity ratio	37.5%	39.8%	37.7%	43.4%	53.7%	58.1%	62.3%	61.8%	63.5%	64.9%
Working capital	1,086.8	727.9	465.8	549.4	503.9	493.9	536.6	532.9	455.7	528.4
– thereof: inventories	2,245.1	1,492.2	1,138.0	1,110.2	915.1	778.5	718.9	657.0	571.5	521.3
Cash flow										
Free cash flow	177.5	276.2	276.0	330.0	172.9	128.5	49.7	-98.9	39.3	29.2
Investments (incl. acquisitions)	263.6	202.4	151.0	218.4	130.2	122.9	91.1	79.5	96.4	76.3
Profitability										
Return on equity (ROE)	13.9%	13.6%	4.5%	13.8%	10.9%	8.2%	3.6%	2.3%	4.0%	0.4%
Return on capital employed (ROCE)	28.4%	31.9%	15.1%	29.6%	25.8%	20.7%	10.3%	7.9%	11.5%	5.6%
Additional information										
Number of employees (year-end)	18,071	16,125	14,374	14,332	12,894	11,787	11,495	11,351	11,267	10,982
Number of employees (annual average)	16,669	14,846	13,016	13,348	12,192	11,389	11,128	10,988	10,830	10,750



	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
PUMA share*										
Share price (in €)	56.70	107.50	92.28	68.35	42.70	36.30	24.97	19.87	17.26	23.50
Earnings per share (in €)	2.36	2.07	0.53	1.76	1.25	0.91	0.42	0.25	0.43	0.04
Average outstanding shares (in million)	149.65	149.59	149.56	149.52	149.47	149.43	149.40	149.40	149.40	149.40
Number of shares outstanding as of Dec, 31 (in million)	149.76	149.61	149.58	149.55	149.51	149.46	149.40	149.40	149.40	149.40
Market capitalization	8,491	16,083	13,804	10,222	6,384	5,426	3,730	2,968	2,578	3,511

1) EBIT before special items

* Disclosures for the prior periods were adjusted retroactively to the 1:10 stock split carried out in the second quarter of 2019

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