

Risk Management

PUMA's worldwide activities are exposed to extensive global and local risks, arising from internal and external factors which are carefully monitored within the framework of a risk management system. To this end, the risk volume is identified and quantified, the probability of occurrence is assessed, and countermeasures are formulated to achieve the envisaged corporate targets.

The guidelines and organization of the risk management system ensure a methodological and systematic approach within the Group. The direct responsibility for risk is transferred to operational employees who report on any detected risks in a "bottom-up" procedure. This ensures that risks can be detected early and reported to the "Risk Management Committee" (RMC). The risk management reports on significant changes in the risk portfolio both through periodic and ad-hoc reporting.

Risk Areas

General Economic Risks

The overall economic development may have a direct influence on consumer behavior. A significant slowdown can lead to a decline in consumer spending with adverse effects on the

Brand Image

The success of a global company is largely dependent on its brand strength and its ability to respond to the desires and expectations of consumers. In addition, public expectations regarding environmental and sociopolitical standards are increasingly gaining in importance and any arising problems can impact the brand. PUMA approaches these risks with a carefully designed long-term marketing strategy that includes market research activities as well as trend studies on design, image and price setting. To ensure compliance with environmental and sociopolitical standards, PUMA's S.A.F.E team (Social, Accountability, Fundamental, Environmental) has established a corporate process and internal control management system,

Dynamic Market Environment

A dynamic market and competitive environment requires that new and innovative concepts are continuously developed and market trends quickly grasped and flexibly implemented. Furthermore, if market shifts are not recognized and implemented early, the consumer demand for PUMA products may change significantly. In order to transform the company's own creative ideas into new products in line with market requirements, the company invests heavily in design and product development. Deliberate differentiation from

Moreover, strategic planning and special projects such as margin control and process optimization are used as cross-departmental tools. Process- or risk-specific systems, particularly with respect to supplier reviews, hedging of currency risks, and a group-wide controlling and reporting system are additional tools used in PUMA's risk management process.

The risk areas to be reported on, as well as any new findings in the risk portfolio, are defined by RMC and evaluated in accordance with a guideline. Any changes are promptly communicated to the Board of Management.

sporting goods industry and the business development of PUMA. PUMA counters this risk through geographic diversification and a well-balanced portfolio.

which conducts audits of all manufacturers of PUMA products worldwide in accordance with guidelines that are even more stringent than legally required.

The PUMA logo and the related form stripe are protected trademarks of the PUMA brand. Along with increasing brand awareness and desirability, the number of product imitations and pirated products has grown. This has potentially negative effects on the brand image. Therefore, PUMA is increasingly mobilizing internal resources for intense surveillance and legal prosecution of such cases. All detected imitations are taken off the market and are destroyed.

competition, characteristic design and the high recognition value of the PUMA brand are significant factors in creating a competitive advantage.

With its successful global positioning and accompanying strengthening of the brand through internationally oriented marketing concepts, PUMA aims to be an industry leader. Moreover, the existing risk is reduced through effective product lifecycle management, targeted merchandising of PUMA products and PUMA's own retail activities.