

Progress report 2018

Adidas AG has met 15 out of 16 targets.

Chemicals/ Environmental Management

Key question	Goal for 2017	Target achievement	Explanation
Does your organisation recommend its business partners and producers proper and environmentally safe management (good housekeeping) and does it support them in achieving this?	<p>Implementation of individual or cooperative measures to support Good Housekeeping</p> <p>In 2017, we will continue our efforts in doing chemical mgt guideline (CMG) trainings, fundamental trainings +Initial assessments at supplier level as well as on licensee factory level. We will set a focus on optimizing these trainings-doing more group trainings instead of single supplier trainings.</p>	✓	
Does your organisation recommend and support taking stock of chemical products used and reporting quantities and types of chemicals ("chemical inventory")?	<p>In 2017, we will exceed our 2016 efforts: in addition to recording twice a year the chemical inventory list (CIL) for these suppliers that produce more than 90% of the apparel material volume we will do a pilot with selected strategic footwear suppliers recording their CILs.</p>	✓	
Does your organisation promote the application of a MRSL in its procurement processes?	<p>Use of the Partnership/ ZDHC-MRSL</p> <p>We will only use the ZDHC-MRSL. Our focus is on the material suppliers/producers and not on assemblers. We will evaluate in 2017 the feedback of the MRSL communication to 100% of our wet process T2 suppliers and initiate supporting measures if needed.</p>	✓	

	<p>Referring to MRSL compatibility lists (green chemical list) that can be used to implement the MRSL</p> <p>We have set bluefinder adoption targets for our strategic apparel material suppliers in 2017: 80% auxiliaries and 50% dyestuff has to be bluesign approved.</p>	<p>✓</p>	<p>We successfully achieved our bluefinder adoption targets for 2017 of 50% of auxiliaries and 80% of dyestuffs to be bluesign-approved (publically reported in our Annual Report 2017 and the Chemical Management Progress Report 2018). Unfortunately we mixed up the 50% / 80% targets in TexPert.</p>
<p>Does your organisation recommend and support measures for improving wastewater management and/or reporting wastewater data?</p>	<p>Communication of relevant data platform to producers with wet processes</p> <p>In 2017 we will exceed the 2016 disclosure of 80% of our global wet-process T2 suppliers Wastewater data under the Detox protocol on IPE.</p>	<p>✓</p>	
<p>Does your organisation support the periodic assessment of the existence and functioning of environmental management systems in its facilities and supply chain?</p>	<p>Periodic assessment of the existence and functioning of environmental management systems in its facilities and supply chain</p> <p>Our focus is the deeper supply chain – there is by far the highest chemical footprint. We will apply improved supplier assessment tools at the T1 and T2 supplier level in 2017 covered by our training and audit programme.</p>	<p>✓</p>	
<p>Does your organisation publish information or a sustainability report in the field of chemicals/environmental management in the supply chain?</p>	<p>Publication of information or sustainability report on chemical/ environmental management</p> <p>We will publish our 2016 Sustainability Report in 2017 containing also 2020 goals and ambitions. In our sustainability report and on our website, we disclose detailed information on environmental and chemical management in our supply chain, including data.</p>	<p>✓</p>	

Social Standards and Living Wages

Key question	Goal for 2017	Target achievement	Explanation
Is your organisation individually or collectively committed to the sector-wide implementation of the Partnership's social goals?	<p>Promote the exercise of the freedom of association and the right to collective bargaining in producer countries</p> <p>In 2017, we will roll-out Supervisory Skill Building training to 15 suppliers.</p>	✓	
Does your organisation enshrine the implementation of the Partnership's social goals in a written undertaking, as a requirement in its own standards and implementation instructions, e.g. in its procurement process?	<p>We will review and regularly update policies and standards regarding social/labour standards in our supply chain in 2017.</p>	✓	
Does your organisation assess risks and their impacts on the Partnership's social goals along its textile supply chains and in its business relationships?	<p>Detect the risks and impacts of business activities on the Partnership's social goals</p> <p>We will regularly review and update our country risk profiles, including local and international stakeholder engagement to identify (potential) risks. We will continue to apply risk profiles to focus and tailor our due diligence practices throughout our supply chain in 2017.</p>	✓	

<p>Does your organisation ensure or support granting affected persons access to effective complaints mechanisms?</p>	<p>Support producers in risk countries in establishing effective complaints mechanisms</p> <p>2020 goal: Empower our supply chain workers by expanding and refining grievance systems and skill training programs. 2017 target: we will further roll-out the Workers' Grievance Feedback System to 10 suppliers.</p>	<p>○</p>	<p>We were able to expand the Worker Hotline service: 63% of our strategic suppliers with more than 250,000 factory workers across four of our major sourcing countries (Cambodia, China, Indonesia and Vietnam) were covered by the end of 2017. Still, we only included 7 new suppliers because priorities shifted over the year: we focused on the development of the newly enhanced digital (apps based) worker grievance platform with additional functionalities which will now be further rolled out in 2018.</p>
<p>Does your organisation possess effective verification and monitoring processes along the supply chains?</p>	<p>Audit the effectiveness of the social management systems by an independent third party</p> <p>We will submit our adidas Group supply chain programme for re-accreditation by FLA in 2017. The accreditation will be based on the revised FLA code of conduct which covers additional requirements.</p>	<p>✓</p>	
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<p>Does your organisation use capacity development measures and training approaches to support its own employees and producers or their employees in implementing the Partnership's social goals?</p>	<p>We will roll out Modern Slavery training to 60 tier 2 suppliers in 2017.</p>	<p>✓</p>	

Natural Fibres

Key question	Goal for 2017	Target achievement	Explanation
Does your organisation promote measures for farmers and/or agricultural workers that support the Partnership's goals in the field of natural fibres?	<p>Training measures for farmers</p> <p>In 2017, we will increase our investment to support the BCI Growth&Innovation Fund, according to our growing BCI sourcing volumes. The fund invests in capacity building progr. that train smallholder farmers to optimise inputs, use chems in a safer manner, increase yields, generate higher profits.</p>	✓	
Does your organisation promote the use of sustainable natural fibres in its procurement processes?	<p>We have committed to source 100% of cotton as 'sustainable cotton' (i.e. Better Cotton and organic cotton) by 2018. http://www.adidas-group.com/en/media/news-archive/press-releases/2016/adidas-group-exceeds-2015-better-cotton-target/ In 2017, we will source 80% 'sustainable cotton'.</p>	✓	