# Adidas AG

# has set the following targets for the year 2019:

<b>(</b>	Mandatory targets:	5
<b>(*)</b>	Recommended targets:	0
$\odot$	Already achieved goals:	5
S	Not achieved, continued goals:	0
$\oplus$	Voluntary targets	0

# Mandatory and recommended targets

Corruption prevention policy

Roadmap 2019

Target demand: Commitment to a zero tolerance towards all forms of corruption including extortion and bribery in the own organisation



Policy statement

Our Code of Conduct is applicable for all employees, managers, officers and Executive Board members of the company and its affiliates. They must also certify their compliance with our Code, and disclose any potential conflict of interest or any other possible exception to compliance with the Code.

# Cross topic

Risk-based selection of suppliers & procurement

Target demand: Selection of suppliers and award of contracts taking into account the identified social risks and potential negative impacts



Target already met

Our Human Rights Due Diligence Process described in detail: <a href="https://www.adidas-group.com/en/sustainability/compliance/human-rights/">https://www.adidas-group.com/en/sustainability/compliance/human-rights/</a> Specific supply chain risk mapping approach: <a href="https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/monitoring/">https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/monitoring/</a> Also see AR18, p. 95-100

### Social standards

Promotion of living wages

Target demand: Initiation or involvement in a measure that aims to pay living wages for employees in



In 2019 adidas will continue its participation in the FLA's Practitioners' Working Group (companies, civil society+universities). WG aim: improve tools+meth. for wage data collection+analysis, supporting FLA+bus. affiliates identify mech. that support the improvemt of wages in the supply chain

# Chemical and environmental management

Reduction of hazardous chemicals

Target demand: Measures to increase ZDHC conformity of the used chemical products in the supply chain



To strengthen our strategy of using 100% sustainable input chemistry by 2020 we will in 2019 develop a detailed improvement plan under the ZDHC Signatory Brand Leader Programme together with the implementation director and an additional expert from the ZDHC.

Orderly & environmentally responsible housekeeping

Target demand: Support of producers in the supply chain to improve proper and environmentally sound business management



As HIGG FEM 3.0 has now been launched+will be used by us+our supply chain as standard for measuring env. practices including good housekeeping requirements, by the end of 2019, >100 of our strategic T1&T2 suppliers will have their FEM information externally verified via on-site audits.

Communication of wastewater guidelines

Target demand: Communication of the wastewater standard to 100% of producers and business partners



Target already met

We set our clear focus on the parts of the supply chain where it matters most: the deeper supply chain as here the chemical footprint is by far the highest. We have already communicated the ZDHC wastewater guidelines in 2018 to all of our APP, FTW and A&G T2 suppliers +achieved the target.

Complaint and remedy

## Natural fibers

Increase sustainable cotton

Increase share of sustainable cotton to 100 % Including organic cotton (as a share of the total amount of cotton) o %



We will continue to source 100% sustainable cotton in 2019. For details, definitions and previous years' volumes, see our annual report 2018, p. 94

#### Monitoring & auditing of guidelines

Target demand: Introducing an effective system for inspecting and monitoring the implementation of measures to improve social and environmental conditions in the supply chain



For many years, we have implemented a comprehensive system to monitor + continuously improve social + environmental conditions at our suppliers, including FEM 3.0 verification by 3rd parties. Our social supply chain program is accredited by the FLA. See our Annual Report + website for more details.

# Access to effective complaint mechanisms

Target demand: Initiation or involvement in a measure that aims to improve employee access to complaints mechanisms



Target already met

For many years, all workers at authorized suppliers are covered at a minimum by a grievance hotline (part of FLA accreditation). Innovative worker grievance mechanisms are progressively implemented, e.g. app-based Workers Voice Grievance platform. See our Annual Report + website for more details.

#### Raising awareness regarding sustainable textiles

Target demand: Implementation of measures to raise awareness about sustainable textile production in the following topics



In 2019, we will raise awareness about sustainable textile production with different stakeholder groups (e.g. suppliers, organizations, universities) by presenting at conferences or contributing to publications. We will do so at least at 5 different occasions.