

**Corporate Human Rights Benchmark
2023 Company Scorecard**

Company name Adidas
Sector Apparel (supply chain only)
Overall score 34.3 out of 100

Theme score	Out of	For theme
3.1	10	A. Governance and Policy Commitments
8.2	25	B. Embedding Respect and Human Rights Due Diligence
9.0	20	C. Remedies and Grievance Mechanisms
8.3	25	D. Performance: Company Human Rights Practices
5.6	20	E. Performance: Responses to Serious Allegations

Please note that any small differences between the Overall Score and the added total of Measurement Theme scores are due to rounding the numbers at different stages of the score calculation process.

Please note also that the "Not met" labels in the Explanation boxes below do not necessarily mean that the company does not meet the requirements as they are described in the bullet point short text. Rather, it means that the analysts could not find information *in public sources* that met the requirements *as described in full* in the CHRB 2022 Methodology document for the sector concerned. For example, a "Not met" under "General HRs Commitment", which is the first bullet point for indicator A.1.1, does not necessarily mean that the company does not have a general commitment to human rights. Rather, it means that the CHRB could not identify a public statement of policy in which the company commits to respecting human rights.

Detailed assessment

A. Governance and Policy Commitments (10% of Total)

A.1 Policy Commitments (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.1.1	Commitment to respect human rights	2	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: General HRs commitment: The Workplace Standards indicates: 'adidas is committed to respecting human rights'. Although it is a supplier policy, the commitment makes reference to the Company in general. [Workplace Standards, 01/2016: adidas-group.com] Score 2 <ul style="list-style-type: none"> Met: Commitment to UNGPs: The Human Rights Policy indicates: 'adidas is committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs)'. [Human Rights Policy, 01/08/2022: adidas-group.com]
A.1.2.a	Commitment to respect the human rights of workers: ILO Declaration on Fundamental Principles and Rights at Work	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> Met: Commitment to ILO core principles: The Human Rights Policy indicates: 'adidas' commitment embraces all internationally recognized human rights, including those contained in: [...] the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work'. [Human Rights Policy, 01/08/2022: adidas-group.com] Not Met: Explicitly lists all four ILO core principles: The Company's Human Rights Policy covers each ILO Core commitment: discrimination, forced labour, child labour, freedom of association and collective bargaining. As for freedom of association and collective bargaining, it adds: 'We are committed to an open and constructive dialogue with all people employed by adidas and, where applicable, with their representatives. Our employees are free to join organizations of their

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			<p>choice that represent them consistent with local organizing laws. These organizations may, if recognized as the appropriate agent, engage in collective bargaining according to applicable law. Employees who act as representatives are neither disadvantaged nor favored in any way. In locations where employees have decided not to appoint representatives, we promote direct and open communication between employees and management. We expect our business partners to apply the same approach and we will take action against cases of violation known to us'. However, it is not clear whether it is committed to respect these rights in all contexts and locations (i.e. alternative mechanisms for those countries where there are legal restrictions to the exercise of these rights), as the Company indicates that it respects these rights 'according to applicable law'. The Guidelines on Employment Standards indicates: 'We insist that factories recognize and respect the right of employees to join and organize associations of their own choosing, to bargain collectively and, when necessary, to participate in lawful strike action. Where national laws restrict freedom of association, factories should take steps to create parallel mechanisms to find an open and effective means of communication for employees and their representatives to discuss issues and express concerns in a positive environment'. It adds: 'We use the adidas Workplace Standards as a tool to assist us in selecting and retaining business partners who follow business practices consistent with our policies and values'. However, this seems to be a supplier guide. This subindicator focuses on commitments regarding its own operations. [Human Rights Policy, 01/08/2022: adidas-group.com] & [Guidelines on Employment Standards, 05/2023: adidas-group.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Expects suppliers to commit to ILO core principles: The supplier code has explicit requirements regarding each ILO core area: discrimination, forced labour, child labour, freedom of association and collective bargaining, as indicated below. [Workplace Standards, 01/2016: adidas-group.com] • Met: Explicitly lists all four ILO core principles for suppliers: The document Workplace Standards has explicit requirements regarding each ILO core area: discrimination, forced labour, child labour, freedom of association and collective bargaining. As for freedom of association and collective bargaining, it adds: 'Business partners must recognise and respect the right of employees to join and organise associations of their own choosing and to bargain collectively. Business partners must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives'. Regarding supply chain workers, the webpage section Supply Chain indicates: 'It was our concern for their working conditions and well-being that led us to establish our Workplace Standards, the supply chain code of conduct'. [Workplace Standards, 01/2016: adidas-group.com] & [Supply Chain_web, N/A: adidas-group.com]
A.1.2.b	Commitment to respect the human rights of workers: Health and safety and working hours	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to respect H&S of workers: The Human Rights Policy indicates: 'We ensure uniformly high health protection, safety, and environmental protection at our sites through the implementation of appropriate measures and management systems. Regulations are consistently applied worldwide to minimize the occurrence of accidents and incidents. We have well established policies, procedures, and guidelines that describe our expectations of our business partners for safe and healthy working conditions, and we will take action against cases of violation known to us'. [Human Rights Policy, 01/08/2022: adidas-group.com] • Not Met: Commitment to ILO working hours standards or 48 hour regular work week: The Workplace Standards states: 'Employees must not be required, except in extraordinary circumstances, to work more than sixty (60) hours per week including overtime or the local legal requirement, whichever is less. A regular work week must not exceed 48 hours, all overtime work must be consensual and not requested on a regular basis. Employees must be allowed at least twenty-four (24) consecutive hours rest within every seven-day period and must receive paid annual leave'. It adds: 'We use the adidas Workplace Standards as a tool to assist us in selecting and retaining business partners who follow business practices consistent with our policies and values'. However, it seems to be a supplier policy, hence it is not clear it also applies to its own operations. No evidence found of the Company explicitly committing to respect ILO conventions on working hours or that publicly states that workers are not required to work more than 48 hours as regular working week, and that overtime is consensual and paid at a premium rate in its own operations. [Workplace Standards, 01/2016: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> Met: Expects suppliers to commit to H&S of workers: The Workplace Standards indicates: 'A safe and hygienic working environment must be provided, and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from fire, accidents and toxic substances. Lighting, heating and ventilation systems must be adequate. Employees must have access at all times to sanitary facilities which should be adequate and clean. Business partners must have health and safety policies which are clearly communicated to employees. Where residential facilities are provided to employees, the same standards apply'. [Workplace Standards, 01/2016: adidas-group.com] Met: Expects suppliers to commit to ILO working hours standards or 48 hour regular work week: The Workplace Standards indicates: 'Employees must not be required, except in extraordinary circumstances, to work more than sixty (60) hours per week including overtime or the local legal requirement, whichever is less. A regular work week must not exceed 48 hours, all overtime work must be consensual and not requested on a regular basis. Employees must be allowed at least twenty four (24) consecutive hours rest within every seven-day period, and must receive paid annual leave'. 'In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate'. [Workplace Standards, 01/2016: adidas-group.com]
A.1.3.AP	Commitment to respect human rights particularly relevant to the sector – vulnerable groups (AP)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Commitment to children's rights: The Human Rights Policy indicates: 'We are committed to supporting children's rights and accounting for the best interests of the child with respect to our business activities'. [Human Rights Policy, 01/08/2022: adidas-group.com] Met: Expects suppliers to respect these rights: The Policy on Responsible Recruitment states: 'At adidas we are committed to eliminating the practice of migrant workers paying recruitment costs and fees to secure their employment. We support the Dhaka Principles for Migration with Dignity to enhance respect for the rights of migrant workers from the moment of recruitment, during employment and through to further employment or safe return'. This document 'outlines the requirements for the responsible recruitment and fair treatment of migrant workers in our supply chain'. In addition, the workplace standards requires particular attention to discrimination against migrant workers: 'Additionally, business partners must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status'. [Policy on responsible recruitment, 2019: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> Not Met: Commitment refers to CEDAW/Women's Empowerment Principles: The Human Rights Policy indicates: 'Where there is potential for adverse impacts on vulnerable people or groups, we will also consider other international standards and principles that elaborate on the rights of such individuals or groups, including indigenous peoples, women, national, ethnic, religious, and linguistic minorities, children, disabled people, migrant workers and their families, and human rights defenders. This includes, for example, the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child'. However, 'consider' other standards and principles is not considered a formal statement of commitment according to CHRB wording criteria. The webpage section Workers in the Supply Chain notes: 'Our business partners are required to respect and promote women's rights to health, education and work. The latter includes both equality of opportunity (for example, through fair hiring and retention strategies) and equality of outcome (for example, ensuing equal pay and benefits while in employment). Our approach is closely aligned with the expectations laid out in the UN Convention on the Elimination of All Forms of Discrimination against Women (CEDAW). [...] The underlying principles of CEDAW are reflected in the language of our Workplace Standards and our supporting Guidelines on Employment Standards [...] which our business partners must follow'. However, only policy commitments are considered a suitable source for this indicator under CHRB revised approach, this subindicator looks for commitment to CEDAW or WEPS in its own operations.. [Human Rights Policy, 01/08/2022: adidas-group.com] & [Workers in the Supply Chain_web, N/A: adidas-group.com]

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			<ul style="list-style-type: none"> • Not Met: Commitment refers to Child Rights Convention/Business Principles: See above. Also, the webpage section Workers in the Supply Chain notes: ‘The [Human Rights] Policy describes our support for the United Nations’ Universal Declaration of Human Rights and the core labor principles of the International Labor Organization, including a prohibition on the employment of child labor. Within this broad framework, adidas is committed to upholding children’s rights as set out in the UN Convention on the Rights of the Child (CRC) and the principle that: “In all actions concerning children ... the best interests of the child shall be a primary consideration.” (Article 3, CRC). adidas’ commitment to child rights is demonstrated through our policies, procedures and daily practices, both internally and in terms of how we manage our business relationships, as illustrated below. [...] Committed to respect children’s rights: The rights of children are enshrined in international human rights law and are a state obligation. The 1989 Child Rights Convention goes beyond a prohibition or elimination of child labor, it also considers the protection and promotion of a broader set of child rights that are encapsulated in four key principles: (1) Non-discrimination and equality of opportunity for children; (2) The best interests of children must be a primary consideration; (3) Children’s right to life, survival and development; (4) The views of the child matter. adidas upholds the Children’s Rights and Business Principles (CRBPs) published by UNICEF in 2012. The CRBPs identify a range of actions business should take, to address the potential impacts business could have on children in the workplace, marketplace, community and environment’. However, only policy commitments are considered a suitable source for this indicator under CHRB revised approach. This subindicator looks for a commitment in relation to its own operations. [Human Rights Policy, 01/08/2022: adidas-group.com] & [Workers in the Supply Chain_web, N/A: adidas-group.com] • Not Met: Commitment refers to Convention on migrant workers • Not Met: Expects suppliers to respect these rights: The Workplace Standards states: ‘business partners must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status’. However, no evidence found that the Company expects suppliers to committing it to respect women’s rights also refers to the relevant part(s) of the Convention on the Elimination of Discrimination Against Women (CEDAW) or of the Women’s Empowerment Principles or the company’s publicly available policy statement committing it to respect children’s rights also refers to the relevant part(s) of the Convention on the Rights of the Child or of the Children’s Rights and Business Principles or the company’s publicly available policy statement committing it to respect migrant workers’ rights also refers to the relevant part(s) of the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. [Workplace Standards, 01/2016: adidas-group.com]
A.1.4	Commitment to remedy	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Commitment to remedy adverse HRs impacts: The Human Rights Policy indicates: ‘adidas is committed to taking measures, based on due diligence processes, to avoid causing or contributing to adverse human rights impacts through our own activities, and to addressing and remediating such impacts when they occur. [...] We are committed to providing for, or cooperating in, the prevention, mitigation, and remediation of adverse human rights which we have caused or contributed to, and we will seek to promote or cooperate in the mitigation and remediation of adverse impacts where we are linked to these through our business relationships’. [Human Rights Policy, 01/08/2022: adidas-group.com] • Met: Expects suppliers to make this commitment: The Workplace Standards indicates: ‘adidas is committed to respecting human rights and will refrain from any activity, or entering into relations with any entity, which supports, solicits or encourages others to abuse human rights. We expect our business partners to do the same, and where there is any perceived risk of a violation of human rights to duly notify us of this and of the steps being taken to avoid or mitigate such a breach and, where this is not possible, for the business partner to provide for the remediation of the adverse human rights impact where they have caused or contributed to this’. [Workplace Standards, 01/2016: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Commitment to collaborate with judicial or non-judicial mechanisms • Not Met: Commitment to work with suppliers on remedy: The Human Rights Policy indicates: ‘we will seek to promote or cooperate in the mitigation and remediation of adverse impacts where we are linked to these through our business relationships. [...] we seek to prevent or mitigate adverse human rights impacts that are directly linked to our operations, products, or services by our business

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			relationships, even if adidas has not contributed to those impacts. We seek to exercise our leverage, and increase such leverage where necessary, to address adverse human rights impacts arising out of our business relationships'. However, no commitment to work with suppliers to remedy adverse impacts which are directly linked to the company's operations, products or services found. 'seek to promote or cooperate' is not considered a formal statement of commitment to work with suppliers in remediation. Commitments are expected to be placed in Company policy documents. [Human Rights Policy, 01/08/2022: adidas-group.com]
A.1.5	Commitment to respect the rights of human rights defenders	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Zero tolerance of threats/attacks on HRDs: In its statement adidas Group and Human Rights Defenders, the Company indicates: 'The adidas Group has a longstanding policy of non-interference with the activities of human rights defenders, including those who actively campaign on issues that may be linked to our business operations. We expect our business partners to follow the same policy; they should not inhibit the lawful actions of a human rights defender or restrict their freedom of expression, freedom of association, or right to peaceful assembly'. [Human Rights Defenders, 2016: adidas-group.com] • Met: Expects suppliers to make this commitment: See above. [Human Rights Defenders, 2016: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Commitment to working with HRDs to create safe and enabling environment: In its statement adidas Group and Human Rights Defenders, the Company indicates: 'Often, our engagement with human rights defenders is constructive, especially where we identify areas of shared concern. For example, with respect to transparency and fair play in sport, or environmental sustainability, or the protection of worker rights in our global supply chain. In these instances, we may actively support the work of the HRD and derive shared value from our joint endeavours in say improving working conditions, safety, or the environment. We will also petition governments, alone or in concert with other actors, where we feel the rights and freedoms of human rights defenders with whom we are engaged have been impinged by the activities of the State, or its agents. For example in cases where there are credible reports of a human rights defender being threatened, intimidated or detained by the police or government officials. We will also take direct action where there is clear evidence that a business partner has breached the rights of HRDs. In each case our efforts and choice of action will be informed by the situation as it presents itself, and the extent of leverage we can bring to bear to change the wrongful behaviour identified'. [Human Rights Defenders, 2016: adidas-group.com]

A.2 Board Level Accountability (5% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
A.2.1	Commitment from the top	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Board level responsibility for HRs: The Human Rights Policy indicates: 'Responsibility for implementing adidas' commitments, as outlined in this policy, is assumed at both a strategic and an operational level. The adidas Executive Board, overseen by the Supervisory Board, is responsible for the overall strategic direction of the business, and ultimately decides on adidas' approach to and processes for respecting human rights, including the allocation of resources to support the implementation of this policy. Operationally, the adidas Executive Board has assigned responsibility for the implementation of our Human Rights Policy to the General Counsel, who acts as the nominated Chief Human Rights Officer, supported in particular by our Legal & Compliance function, the specialist work of the Social & Environmental Affairs department, as well as the Human Resources function'. However, it is not clear who is the Supervisory Board member or Supervisory Board committee tasked with specific governance oversight of respect for human rights. The Rules of Procedure Audit Committee of the Supervisory Board indicates: 'Accounting and auditing also include sustainability reporting and its audit and assurance. [...] On behalf of the Supervisory Board, the Audit Committee deals with the topics outlined below as well as with all topics directly related to them: [...] addressing questions relating to sustainability, as far as they relate to topics of the Audit Committee'. However, it is not clear if there's a Board committee or member tasked with governance oversight over human rights, as the role of the Audit committee seems to focus only as long as topics are related the general Audit task. [Human Rights Policy, 01/08/2022: adidas-group.com] & [Rules of Procedure Audit Committee of the Supervisory Board, 04/08/2021: adidas-group.com]

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			<ul style="list-style-type: none"> • Not Met: Describes HRs expertise of Board member Score 2 <ul style="list-style-type: none"> • Not Met: Board member/CEO signal importance of HRs in their communications
A.2.2	Board responsibility	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Process to review HRs strategy at board level • Not Met: Example of HRs issues/trends discussed in last reporting period: Regarding the Audit Committee, the 2022 Annual Report indicates: ‘the meetings of the Audit Committee covered topics such as [...] business partner due diligence, adidas Global Business Services as well as sustainability issues at adidas (including the Executive Board compensation target ‘share of sustainable articles offered’ – ‘9 out of 10’). [...] The provisions of the Corporate Sustainability Reporting Directive and the impact of currency effects on the business of adidas, including the associated hedging strategy and pension obligations, were also discussed by the Audit Committee’. However, no example of specific human rights issues or trends in types of human rights issues discussed at Board level or a Board committee during the Company’s last reporting period. [2022 Annual Report, 03/2023: report.adidas-group.com] Score 2 <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Describes how affected stakeholders / HRs experts inform board discussions
A.2.3	Incentives and performance management	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: At least one board member incentive linked to HRs commitments: The document on the Compensation of the Supervisory Board indicates: ‘Supervisory Board, which is paid following the end of the respective financial year. The Chair of the Supervisory Board and the two deputies receive a higher fixed compensation in recognition of their additional responsibilities. [...] Furthermore, the Supervisory Board members receive additional compensation for membership in certain committees; in this regard, too, compensation is increased if the committee chair is assumed. The amount of the respective additional compensation is based on the base amount determined for the Supervisory Board members and depends on the tasks and responsibilities connected with the respective committee membership’. However, no evidence found of incentives for board members linked to human rights commitments. [Compensation of the Supervisory Board, N/A: adidas-group.com] Score 2 <ul style="list-style-type: none"> • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other board incentives for coherence with HRs policies
A.2.4	Business model strategy and risks	0	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Board process to review business model and strategy for HRs risks • Not Met: Describes frequency and triggers for reviewing business model Score 2 <ul style="list-style-type: none"> • Not Met: Meets both requirements under score 1 • Not Met: Example of actions resulting from reviews

B. Embedding Respect and Human Rights Due Diligence (25% of Total)

B.1 Embedding Respect for Human Rights in Company Culture and Management Systems (10% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.1.1	Responsibility and resources for day-to-day human rights functions	0.5	The individual elements of the assessment are met or not as follows: Score 1 <ul style="list-style-type: none"> • Not Met: Score of 1 on A.1.2.a: This subindicator is the result of A.1.2.a assessment. • Met: Senior responsibility for HRs implementation and decision making: The webpage section Human Rights indicates: ‘The adidas Executive Board assigns the operational responsibility for the implementation of our Human Rights Policy to adidas’ General Counsel, who fulfils the role of Human Rights Officer (HRO). The HRO is responsible for monitoring human rights and environmental risk management processes and reporting regularly on these to the Executive Board’. [Human Rights_web, N/A: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes day-to-day responsibility for implementing HRs commitments: The webpage section Human Rights indicates: 'Nominated 'risk owners' in relevant internal functions are accountable for managing human rights and environmental risks in their respective area of operational responsibility, encompassing our own operations and supply chain. This includes carrying out annual risk analyses, the implementation of risk prevention and mitigation measures, and reporting on the outcome of these measures to the HRO'. [Human Rights_web, N/A: adidas-group.com] • Not Met: Day-to-day resources and expertise allocation in own operations • Met: Resources and expertise allocation in supply chain: The 2022 Annual Report indicates: 'We also maintain a separate compliance function which is operated as the Social and Environmental Affairs ('SEA') Team to evaluate supplier-facing social and environmental compliance performance and human rights impacts, reporting, through the General Counsel, to the CEO'. [2022 Annual Report, 03/2023: report.adidas-group.com]
B.1.2	Incentives and performance management	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Senior manager incentives linked to HRs commitments: The 2022 Compensation Report indicates that Executive Board members have a compensation scheme linked to ESG criterion. However, it is not clear they are linked to Human Rights performance. No further evidence found. [2022 Compensation Report, 03/2023: adidas-group.com] • Not Met: Incentive scheme linked to key HRs risks beyond employee H&S <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Performance criteria linked to HRs made public • Not Met: Review of other senior management incentives for coherence with HRs policies
B.1.3	Integration with enterprise risk management	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HRs risks integrated as part of enterprise risk system: The Human Rights & Responsible Business Practices FAQ [2019] indicates: 'Due diligence is an integral part of our business decision-making and risk management systems. [...] Such a due diligence process is already in place within adidas with respect to the way we manage labor rights, health and safety and environmental risks associated with our supply chain. This extends to and includes aspects of human rights. Such due diligence includes risk mapping, compliance monitoring, remediation and internal as well as external (i.e. public) reporting. We also have internal processes in place to protect employee rights and entitlements, through the policies and procedures of our Human Resources department, with regular reports and updates to the Executive Management team and the Supervisory Board. Compliance of adidas entities with the core policies as listed in the Global Policy Manual are regularly monitored by the Group Internal Audit function'. The Global Policy Manual covers: Environmental Management System; Occupational health and safety Management System and Energy Management System. Although the source is older than three reporting years, source seems a stand-alone document and not a periodic report, so it is assumed that is still in force as it was publicly accessible. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] • Met: Provides an example: See above, the Company describes risks and how the risks management system operates. Although the source is older than three reporting years, source seems a stand-alone document and not a periodic report, so it is assumed that is still in force as it was publicly accessible. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Risk assesment by Audit Committee or independent third party
B.1.4.a	Communication /dissemination of policy commitment(s) to workers and external stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Score of 1 on A.1.2.a: This subindicator is the result of A.1.2.a assessment. • Not Met: Communicates HRs policies to all workers in own operations: The webpage section Human Rights indicates: 'We recognize the need to raise awareness among our employees on their responsibility to respect human rights and how to identify potential or actual human rights issues. All new employees are given induction training to familiarize them with adidas policies and procedures, including the Human Rights Policy'. However, it is not clear it applies to all workers. It adds: 'Within adidas, familiarity with the requirements of the company's Fair Play (ethical business) code of conduct is mandatory. All employees must participate in and pass online training on the code'. However, although workers receive training

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			<p>on the Code's provisions, it does not contain the Company's Human Rights commitments. [Human Rights_web, N/A: adidas-group.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Communicates HRs policies to stakeholders • Not Met: Example of how HRs policies are accessible for intended audience
B.1.4.b	Communication /dissemination of policy commitment(s) to business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Meets ILO requirement for suppliers on A.1.2.a • Met: Requires suppliers to communicate HRs policies: The webpage section Human Rights indicates: 'We expect our business partners to cascade the responsibility to respect human rights and uphold the Workplace Standards across their own supply chains. [...] We also seek to extend our reach by cascading responsibilities to our partners, to capture and address potential and actual human rights issues - both upstream and downstream of our product creation'. As indicated below, Human Rights commitments is part of its contractual arrangement. The actual human rights standards are part of the contract (not just the requirement to comply, but the actual requirements) [Human Rights_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes how HRs policies are contractual/binding for suppliers: The 2022 Annual Report indicates: 'The adidas Workplace Standards are embedded as a contractual obligation in the manufacturing agreements to ensure workers are employed in fair, safe, and healthy workplaces that are environmentally sound'. Workplace Standards contains the Company's Human Rights expectations. [2022 Annual Report, 03/2023: report.adidas-group.com] • Met: Requires suppliers to cascade contractual/binding HRs policies to its suppliers: The webpage section Human Rights indicates: 'We expect our business partners to cascade the responsibility to respect human rights and uphold the Workplace Standards across their own supply chains. [...] We also seek to extend our reach by cascading responsibilities to our partners, to capture and address potential and actual human rights issues - both upstream and downstream of our product creation'. The 2022 Annual Report notes: 'we made our key Tier 1 manufacturing partners accountable for implementing their own due diligence efforts, and we tracked that implementation via our S-KPI tool. This also required our supplier partners to commission social compliance audits in their subcontractor facilities'. [Human Rights_web, N/A: adidas-group.com] & [2022 Annual Report, 03/2023: report.adidas-group.com]
B.1.5	Training on Human Rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Score of at least 1 on A.1.2.a: This subindicator is the result of A.1.2.a assessment. • Not Met: Describes how workers are trained on HRs policy commitments: The webpage section Human Rights indicates: 'We recognize the need to raise awareness among our employees on their responsibility to respect human rights and how to identify potential or actual human rights issues. All new employees are given induction training to familiarize them with adidas policies and procedures, including the Human Rights Policy'. However, it is not clear workers in general are trained, beyond onboarding. It adds: 'Within adidas, familiarity with the requirements of the company's Fair Play (ethical business) code of conduct is mandatory. All employees must participate in and pass online training on the code'. However, although workers receive training on the Code's provisions, it does not contain the Company's Human Rights commitments. [Human Rights_web, N/A: adidas-group.com] • Not Met: Trains relevant managers including procurement on HRs: The Responsible Sourcing & Purchasing Policy states: 'As a guide to our implementation of responsible sourcing and purchasing practices in our organisation, we have translated these policy objectives into 10 Buyer Commitments we make to our suppliers: [...] Keep internal employees aware of Responsible Purchasing Practices (RPP): Training relevant adidas personnel on our commitments to responsible purchasing practices'. However, it is part of the Company's commitment, and no further evidence of actual training found. Moreover, the Human Rights & Responsible Business Practices FAQ [2019] indicates: 'Procurement and sourcing employees for example have received targeted training on modern slavery and human rights'. However, no evidence found of how the Company currently trains relevant managers and workers, including those working on procurement, receive specific human rights training relevant to their role. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Score of 2 on A.1.2.a • Not Met: Meets both requirements under score 1 • Met: Trains suppliers to meet HRs commitments: Regarding supplier training, the webpage section Supply Chain indicates: 'As part of our continuous efforts to achieve more effective and sustainable practices within the supply chain, we have initiated a system of multi-level and cross-functional training sessions with our global supplier network. In 2022, we trained around 4,500 staff and personnel through around 180 training sessions. We have three main approaches to training content: Fundamental training: includes introductory training for the adidas Workplace Standards, Fair Factories Clearinghouse (FFC) data entries, new factory approval process and the SEA operating guidelines. Performance training: includes detailed training on specific issues related to labor, health, safety and environmental practices, as well as initial assessment monitoring methods. Advanced training: includes training in the KPI and rating tools, sustainable compliance planning and supplier self-assessment methods'. [Supply Chain_web, N/A: adidas-group.com] • Not Met: Discloses % suppliers trained: Regarding supplier training, the webpage section Supply Chain indicates: 'In 2022, we trained around 4,500 staff and personnel through around 180 training sessions'. However, it is not clear the percentage of suppliers trained represented by these figures. [Supply Chain_web, N/A: adidas-group.com]
B.1.6	Monitoring and corrective actions	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Score of at least 1 on A.1.2.a: This subindicator is the result of A.1.2.a assessment. • Not Met: Monitors implementation of HRs policy commitments across global ops and supply chain: The webpage section Supply Chain indicates: 'Internal and external audits are conducted at our suppliers' factories to ensure they comply with our standards for social and environmental compliance. [...] we conduct factory audits to assess risks and help identify the root causes of non-compliance. Our Social Key Performance Indicator (S-KPI) rating tool measures the following: reduced accident rates, higher retention levels, or improved worker satisfaction and the effectiveness of our worker empowerment initiatives. [...] Some adidas business entities source products through intermediaries such as licensees, who independently manage production. We call this process the indirect sourcing of products. adidas licensees are obliged to adopt our in-house monitoring approach to ensure compliance in the indirect supply chains as well as commission audits by adidas approved external monitors who verify the outcomes of the compliance plans and activities. A licensee's annual compliance performance is then measured by using a comprehensive report card'. The Human Rights & Responsible Business Practices FAQ [2019] adds: 'due diligence includes risk mapping, compliance monitoring [...]. Compliance of adidas entities with the core policies as listed in the Global Policy Manual are regularly monitored by the Group Internal Audit function'. The Global Policy Manual covers: Environmental Management System; Occupational health and safety Management System and Energy Management System. No further description found of how it monitors the implementation of its human rights policy commitments across its global operations. [Supply Chain_web, N/A: adidas-group.com] & [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] • Met: Discloses % of supply chain monitored: The 2022 Annual Report indicates: 'A total of 65% (2021: 54%) of all direct and licensee facilities were audited in 2022'. [2022 Annual Report, 03/2023: report.adidas-group.com] • Not Met: Describes how workers are involved in monitoring <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Score of 2 on A.1.2.a • Met: Describes corrective actions process: The SEA Social Audit Manual 'is designed for the Auditors to outline the scope of these audits, audit coverage policies and protocols for their conduct, and as a general rule, these requirements are to be strictly applied to all audits'. It includes: 'The closing meeting allows for the auditor/s to provide the factory management with an overview of the day's events and the findings from the audit, as well as to assess and obtain the management's commitment and capacity to correct any areas of non-compliance. In the closing meeting the auditor should: [...] Explain: Next steps for the finalization of the audit report and communication of the audit outcome. For EM covered audits, this will include: That factory management should present their ideas on preliminary remediation steps and document them in the 'Corrective Action Plan (CAP) template', each step is expected to provide an estimated finish

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>date and responsible person and the document should be signed by the factory management. [...] Following the audit, SEA will send the audit findings summary to the factory and sourcing and request the factory to develop a corrective action plan. SEA's Factory Manual and Remediation Guide, sent by SEA together with the audit findings, provide further links to SEA guidelines as well as information on CAP development and reporting'. The Company discloses the Corrective Action Plan (CAP) template with suggested plan of actions. [SEA Social Audit Manual, 30/05/2021: adidas-group.com] & [CAP Template, 04/2021: view.officeapps.live.com]</p> <ul style="list-style-type: none"> • Not Met: Discloses findings and number of correction action processes: The 2022 Annual Report discloses the results of the audits 'The S-KPI assesses a factory's performance in each of the UOMs, based on the information gathered and validated during social compliance audits which are uploaded to a dashboard for each supplier. The result is a final score (in %) which is converted to S-rating levels from 1-5, with 5S being the best. [...] In 2022, almost 75% of our key manufacturing facilities achieved a rating of '4S' or better, which significantly exceeded the original target that we set for 2025 (70% of suppliers rated 4S). [...] Of our key licensees, 100% achieved a Licensee Compliance Rating ('LCR') of at least 4S, and of these, 33% received a rating of 5S'. It also discloses figures on Non-compliances identified in active factories, including labor, health and safety. It adds: 'For the period 2019 through June 2022, 93% of the threshold issues identified in our monitoring assessments were found to be fully remediated. A small percentage of issues identified over this period remain open, the majority of which were found during assessments conducted in 2021 and in the first half of 2022. While in many cases the actual issues will have been resolved, our approach is to only 'close' these in our systems when we have verified evidence of completion and established that corrective actions taken are sustainable and sufficient to avoid reoccurrence'. However, no information found on the number of corrective action plan processes carried out. [2022 Annual Report, 03/2023: report.adidas-group.com]
B.1.7	Engaging and terminating business relationships	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: HRs performance affects selection suppliers: The webpage section Supply Chain indicates: 'In close cooperation with our Global Operations function, all potential new suppliers are assessed by the adidas Social and Environmental Affairs (SEA) team, to ensure that new suppliers meet our standards. Our Sourcing teams can only place orders with a new supplier if the SEA team has given approval. If factories do not meet our standards, we reject them. That said, if the issues can be fixed, we give them a rigorous timeline to correct them. If the factory has improved, they are approved as a supplier who can produce for adidas'. Regarding the SEA team connection with the Company's Human Rights approach, the Human Rights & Responsible Business Practices FAQ [2019] adds: 'At the end of each month, the Social and Environmental Affairs department reports to the Executive Management, highlighting critical issues, investigations and remedial efforts in relation to the supply chain. This is the primary vehicle through which human rights concerns are shared with senior management and reported progress is tracked'. [Supply Chain_web, N/A: adidas-group.com] & [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] • Met: HRs performance affects continuation supplier relationships: The webpage section Supply Chain indicates: 'Breaches of the Workplace Standards are categorized into zero tolerance and threshold issues. Zero tolerance issues include prison labor, life-threatening health and safety conditions and repeated or systematic abuse. If a finding of non-compliance is identified, it will result in immediate engagement with the supplier and, if verified, we will terminate the relationship with that supplier. Threshold compliance issues include serious employment issues, serious health, safety or environmental issues (or any combination of the aforementioned points). The Enforcement Guidelines for threshold issues can disqualify a new supplier, or lead to enforcement actions with existing suppliers. When suppliers fail to meet our Workplace Standards, we apply the sanctions and remedies from our Enforcement Guidelines, which include: Termination of the manufacturing relationship; Stop-work notices Third-party investigations; Warning letters; Reviewing orders; The commissioning of special projects to remedy compliance problems'. The Workplace Standards contains the Company's Human Rights expectations. [Supply Chain_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Works with suppliers to meet HRs requirements: Regarding supplier training, the webpage section Supply Chain indicates: 'As part of our continuous efforts to achieve more effective and sustainable practices within the supply chain,

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>we have initiated a system of multi-level and cross-functional training sessions with our global supplier network. In 2022, we trained around 4,500 staff and personnel through around 180 training sessions. We have three main approaches to training content: Fundamental training: includes introductory training for the adidas Workplace Standards, Fair Factories Clearinghouse (FFC) data entries, new factory approval process and the SEA operating guidelines. Performance training: includes detailed training on specific issues related to labor, health, safety and environmental practices, as well as initial assessment monitoring methods. Advanced training: includes training in the KPI and rating tools, sustainable compliance planning and supplier self-assessment methods'. [Supply Chain_web, N/A: adidas-group.com]</p>
B.1.8	Approach to engagement with affected stakeholders	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes how workers and communities identified and engaged in the last two years: The Human Rights & Responsible Business Practices FAQ [2019] indicates: 'Stakeholder engagement is conducted at many levels, including directly with vulnerable groups and with workers in the global supply chain. In order to systematically identify these stakeholders, we use an extensive network of contacts - spanning across more than 60 countries - to pinpoint areas for dialogue and applicable parties to engage with'. The webpage section Engagement with Stakeholders provides some examples of stakeholder engagement on 'Human Rights and labor topics'. However, no evidence found of engagement with affected stakeholders, including workers or local communities in its supply chain, in the last two years. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] & [Engagement with Stakeholders_web, N/A: adidas-group.com] • Not Met: Discloses stakeholders whose HRs may be affected: The webpage section Engagement with Stakeholders indicates: 'Our stakeholders are those people or organizations who affect – or are affected by – our operations, including the following: adidas employees; Authorizers: governments, trade associations, shareholders and the Executive Board; Business partners: suppliers, licensees and service providers; Workers in our suppliers' factories; Human rights defenders: such as trade unions and community activists; Opinion-formers: journalists, community members and special interest groups; Customers: professional athletes, distributors, retailers and consumers'. However, it is not clear how the Company determines what are the stakeholders whose human rights have been or may be affected by its activities, as current evidence seems to indicate all the Company's stakeholders, irrespective of whether their human rights may be impacted. [Engagement with Stakeholders_web, N/A: adidas-group.com] • Not Met: Provides two examples of engagement with stakeholders: The webpage section Engagement with Stakeholders provides some examples of stakeholder engagement on 'Human Rights and labor topics'. One is on its relationship with the Business and Human Rights Resource Center. Regarding Prison labor in Cambodia, it has also 'joined five other major brands in writing to the Cambodian government to express concern over the reported development of a prison rehabilitation scheme that permits garments to be manufactured by prison labor'. It also discloses information on its Cotton farming in Uzbekistan and Turkmenistan corporative views. Finally, explains how it worked 'with local unions and Oxfam Australia to develop an FOA protocol' for Indonesia. However, no example found of its direct engagement with stakeholders whose human rights have been or may be affected by its activities (or their legitimate representatives or multi-stakeholder initiatives) in the last two years. [Engagement with Stakeholders_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Analysis of stakeholder views on company's HRs issues • Not Met: Describes how stakeholders views influenced company's HRs approach

B.2 Human Rights Due Diligence (15% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.1	Identifying human rights risks and impacts	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes process of identifying risks in own operations: The webpage section Human Rights indicates: 'For over 25 years, our human and labor rights program has been focused on delivering on this commitment through the application of an ongoing Human Rights and Environmental Due Diligence (HREDD) strategy and process to identify, address, evaluate, and communicate the risks of involvement with adverse human rights and environmental impacts through our own operations, products, or services, or via our business relationships'. However, no details found on the process followed to identify potential human rights risks and impacts in its own operations. [Human Rights_web, N/A: adidas-group.com] • Met: Describes process for identifying risks in business relationships: The webpage section Supply Chain indicates: 'Mapping our supply chain risk is an effective way of ensuring that our suppliers produce in a socially and environmentally responsible way. We combine processes to systematically monitor and support improvements, with tools that enable us to react quickly to critical situations as they may arise. This helps us limit any negative effects on workers or the environment. Critical sources of information for risk-mapping exercises include the review of databases as provided by governments, as well as regular engagement with civil society organizations, unions, employer federations and with workers directly. The countries where we source our products, and the suppliers who we work with are regularly mapped and monitored for human, labor rights and environmental risks. Country and factory profiles determine the subject of issues to be prioritized and the frequency of monitoring and remediation activities'. The webpage section Human Rights adds: 'Given the scale and complexity of our value chain – with goods sourced from more than 40 countries globally and sold in over 100 markets – it is not practical to conduct human rights impact assessments continuously across all entities linked to our products or operations. We have therefore developed a due diligence approach that targets high-risk locations, processes or activities that require the closest attention and where we are able to apply influence to mitigate or remediate issues, where they occur'. [Supply Chain_web, N/A: adidas-group.com] & [Human Rights_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes global risk identification system incl. stakeholder consultation: The webpage section Human Rights indicates: 'For over 25 years, our human and labor rights program has been focused on delivering on this commitment through the application of an ongoing Human Rights and Environmental Due Diligence (HREDD) strategy and process'. It adds: 'Since its inception in 1997, our human and labor rights program has been built on the back of intense stakeholder outreach and engagement, seeking to understand and define the most salient issues to address as a company. Through those engagements we have identified the following as salient issues for our human rights'. However, it is not clear its the global systems to identify its human rights risks and impacts involves consultation with affected stakeholders and internal or independent external human rights experts. [Human Rights_web, N/A: adidas-group.com] • Not Met: Describes how risk identification system is triggered by new circumstances: The webpage section Supply Chain indicates: 'The countries where we source our products, and the suppliers who we work with are regularly mapped and monitored for human, labor rights and environmental risks. Country and factory profiles determine the subject of issues to be prioritized and the frequency of monitoring and remediation activities. The tailored risk-mapping approaches and tools that are applied are as follows: Crisis protocol: Used by business entities and factories to report the details of high-risk issues. Based on the information we receive, we may decide to conduct site visits, audits or other engagement with a business entity or factory on a case-by-case basis'. However, the indicator looks for a description of how these systems are triggered by new country operations, new markets, new human rights challenges or conflict affecting particular locations. Evidence should provide information on how the Company's impact map is rebuilt because of new circumstances, and evidence seems to be focusing on targeted assessments. [Supply Chain_web, N/A: adidas-group.com] • Not Met: Describes risks identified in relation to new circumstances

Indicator Code	Indicator name	Score (out of 2)	Explanation
B.2.2	Assessing human rights risks and impacts	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes assessment process and discloses salient HRs risks: The webpage section Human Rights indicates: ‘Since its inception in 1997, our human and labor rights program has been built on the back of intense stakeholder outreach and engagement, seeking to understand and define the most salient issues to address as a company. Through those engagements we have identified the following as salient issues for our human rights program and the focus for our human rights and environmental due diligence efforts: labor rights, wages, discrimination and harassment, freedom of association and collective bargaining, occupational health and safety, child labor, forced labor and human trafficking, the environment, including climate change, water, the use of hazardous chemicals, and waste, privacy, corruption, and sports sponsorship’. However, it is not clear the process it has in place to assess its human rights risks within its own operations. This description should include how relevant factors are taken into account, such as geographical, economic, social and other factors. [Human Rights_web, N/A: adidas-group.com] • Met: Describes how process applies to supply chain: The webpage section Supply Chain indicates: ‘The countries where we source our products, and the suppliers who we work with are regularly mapped and monitored for human, labor rights and environmental risks. Country and factory profiles determine the subject of issues to be prioritized and the frequency of monitoring and remediation activities. The tailored risk-mapping approaches and tools that are applied are as follows: Country level risk assessment: Country profiles are developed based on in-depth due diligence processes. Countries are categorized as high or low risk. Suppliers located in high-risk countries are audited on a regular basis. Factory level risk assessments: Regular audits, KPI assessments, factory risk-rating analysis. This information determines the frequency of re-audits and engagement with the factory’. [Supply Chain_web, N/A: adidas-group.com] • Met: Public disclosure of results of HRs risk assessment: The webpage section Human Rights indicates: ‘we have identified the following as salient issues for our human rights program and the focus for our human rights and environmental due diligence efforts: labor rights, wages, discrimination and harassment, freedom of association and collective bargaining, occupational health and safety, child labor, forced labor and human trafficking, the environment, including climate change, water, the use of hazardous chemicals, and waste, privacy, corruption, and sports sponsorship’. [Human Rights_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1: See above. • Not Met: Describes how assessment involved affected stakeholders
B.2.3	Integrating and acting on human rights risks and impact assessments	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes system to prevent, mitigate and remediate HRs issues: The webpage section Human Rights indicates: ‘The strategies applied to preventing and mitigating issues will be dependent on the relationship between adidas and the source of the risk, the severity of the issue, and our ability to influence the party directly responsible. Although we recognize the need to address all salient human rights issues we have identified, as our influence and ability to prevent and mitigate adverse impacts is greatest with our business partners, we have focused our efforts on fair labor practices, fair compensation and safe working conditions in factories manufacturing on behalf of adidas. In our own operations, as a company managing around 60,000 employees, we have established standards and rules that specify the company’s responsibilities towards respecting the human rights of our global workforce. Through the policies and procedures of our Human Resources department, along with other relevant functions, internal systems are in place to protect employee rights and entitlements, and compliance with the core policies are regularly monitored by the Corporate Internal Audit function’. However, no further description found on these procedures and systems to prevent, mitigate or remediate its salient human rights issues within its own operations. [Human Rights_web, N/A: adidas-group.com] • Not Met: Describes how global system applies to supply chain: The webpage section Human Rights indicates: ‘We have therefore developed a due diligence approach that targets high-risk locations, processes or activities that require the closest attention and where we are able to apply influence to mitigate or remediate issues, where they occur. [...] We also seek to extend our reach by cascading responsibilities to our partners, to capture and address potential and actual human rights issues - both upstream and downstream of our product creation’. However, no description of how its global system to prevent, mitigate or

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>remediate its salient human rights issues applies to its supply chain. [Human Rights_web, N/A: adidas-group.com]</p> <ul style="list-style-type: none"> • Met: Example of actions decided on at least 1 salient HRs issue: The 2021 Modern Slavery Progress Report indicates: ‘Modern slavery and forced labour risks are often highest in manufacturing settings where there are significant populations of foreign migrant workers. Since 2018, we have focused our efforts on addressing such modern slavery risks in our supply chain among Tier 2 suppliers through a partnership with the International Organization for Migration (IOM) and its Corporate Responsibility in Eliminating Slavery and Trafficking (CREST) initiative to promote fair recruitment practices. Together, adidas and IOM CREST conducted a foreign migrant worker risk assessment, which identified Indonesia, the Philippines, Thailand, and Vietnam as the key sending countries for foreign migrant workers employed among our Tier 2 suppliers in Taiwan. A key focus of the programme has been to strengthen our engagement with our Tier 2 suppliers employing foreign migrant workers and build capacity among the recruitment agencies working with these suppliers. In 2021, we provided targeted trainings for private recruitment agencies from the four identified key sending countries to raise their awareness on international standards on responsible recruitment and available certifications. The training was conducted in partnership with IOM, as part of our drive to increase overall awareness of ethical recruitment, improve recruitment fee transparency, and build capability and understanding of the ‘International Recruitment Integrity System’ (‘IRIS’), the global standard for ethical recruitment’. [2021 Modern Slavery Progress Report, 2022: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Describes how stakeholders involved in decisions about actions taken
B.2.4	Tracking the effectiveness of actions to respond to human rights risks and impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes system for evaluation effectiveness of actions: The 2022 Annual Report indicates: ‘We also maintain a separate compliance function which is operated as the Social and Environmental Affairs (‘SEA’) Team to evaluate supplier-facing social and environmental compliance performance and human rights impacts, reporting, through the General Counsel, to the CEO’. However, no description found of its system for tracking or monitoring the actions taken in response to human rights risks and impacts and for evaluating whether the actions to tackle salient issues have been effective or have missed key issues or not produced the desired results. [2022 Annual Report, 03/2023: report.adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Example of lessons learned from evaluation effectiveness of actions • Not Met: Meets all requirements under score 1 • Not Met: Involves stakeholders in evaluation effectiveness of actions
B.2.5	Communicating on human rights impacts	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Provides two examples of comms with stakeholders: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: ‘This complaint procedure is an integral part of adidas’ human rights and environmental due diligence (HREDD) system’. It adds: ‘adidas confirms receipt of the complaint within five working days and informs the complainant of a contact person for its process’. Regarding the review of the complaint, it notes: ‘adidas will also review whether sufficient information is available for further processing. If this is not the case, adidas will contact the complainant – if possible [...]. If this is not possible despite all efforts, the complaint is not accepted and the complainant is informed of this, stating reasons’. Although the Company describes some of its complaint procedures in relation to engagement to complainant, no examples found demonstrating how it communicates with affected stakeholders regarding specific human rights impacts raised by them or on their behalf. The Company is expected to provide two examples. The Company discloses a Summary of Human Rights Complaints Handled by adidas in 2022. It contains information on the complainant, Related Facility or Entity, the Complaint, Outcome and Status (Date case opened/closed). It has disclosed 13 cases in total. However, although the processes are publicly disclosed a periodically updated, no evidence found of how it specifically reaches each affected stakeholder during the process. No further evidence found. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] & [Summary of Human Rights1 Complaints Handled by adidas in 2022, 2023: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			Score 2 <ul style="list-style-type: none"> Not Met: Describes challenges to effective comms and how it is working to address them

C. Remedies and Grievance Mechanisms (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.1	Grievance mechanism(s) for workers	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Grievance mechanism accessible to all workers: The webpage section Human Rights indicates: 'In our own operations, the global Fair Play Hotline enables our employees to submit complaints anonymously'. The Code of Conduct [Fair Play] gives further information on reporting channels. [Human Rights_web, N/A: adidas-group.com] & [FAir Play Code of Conduct (update), N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> Met: Grievance mechanism available in appropriate languages and workers made aware: The webpage section Employees indicates: 'The Code of Conduct is supported with mandatory online training available in ten languages'. As indicated above, the Code contains information on the grievance channels. The webpage section Human Rights indicates: 'Our third-party complaints mechanism, established in 2014, offers a channel for the reporting of any potential, or actual, human rights or environmental harm linked to adidas's operations, products or services, and is open to any individual or organization directly affected by an issue, or any organization which represents individuals or communities directly affected'. Description of third party complaint process is available in German, English, Spanish, Chinese, Khmer, Thai, Vietnamese, Bahasa Indonesia, Japanese, Portuguese, Turkish and Arabic. The English version of this description [Summary of the complaints procedure for human rights and environmental impacts] indicates: 'Complaints can be written in the complainant's local language'. [Employees_web, N/A: adidas-group.com] & [Summary of the complaints procedure for human rights and environmental impacts, N/A: adidas-group.com] Met: Describes how workers in supply chain access grievance mechanism: The webpage section Human Rights indicates: 'Suppliers to adidas are required to have grievance systems in place where workers can freely and – should they decide to – anonymously submit any complaints or suggestions they may have. Workers in the supply chain may also raise concerns or complaints directly with adidas via local hotlines, which are run by non-profit organizations or our own field staff. In addition, we deploy a digital, app-based operational grievance mechanism at all our strategic supplier sites'. [Human Rights_web, N/A: adidas-group.com] Met: Expects suppliers to convey expectation to their suppliers: The webpage section Human Rights indicates: 'We expect our business partners to cascade the responsibility to respect human rights and uphold the Workplace Standards across their own supply chains'. In the context of describing its Freedom of Association and Collective Bargaining provisions, the Workplace Standards states: 'Business partners must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives'. Although workplace standards only seem to have a provision for grievance mechanism in the context of Freedom of Association and Collective Bargaining to resolve industrial disputes, it also adds that: 'Business partners must publicise and enforce a non-retaliation policy that permits factory employees to express their concerns about workplace conditions directly to factory management or to adidas without fear of retribution or losing their jobs'. [Human Rights_web, N/A: adidas-group.com] & [Workplace Standards, 01/2016: adidas-group.com]
C.2	Grievance mechanism(s) for external individuals and communities	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> Met: Grievance mechanism accessible to all external individuals and communities: The Human Rights & Responsible Business Practices FAQ [2019] indicates: 'Affected individuals, or communities, can bring issues directly to the attention of adidas or avail themselves of alternative channels for their complaints, including the FLA-managed Third-Party Complaint system, or the OECD's Contact Point, details of which are also given in the above Complaint Process. The Complaint Process is accessible to all external stakeholders who have a grievance to share. Typically, where complaints arise at a community level, these are normally directed through local Social & Environmental Affairs staff, who are conversant in the local language and active at a community level, through their visits and meetings with local factory employees'. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Grievance mechanism available in appropriate languages and affected stakeholders made aware: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'Complaints can also be submitted by telephone or in writing (by email or post) to the respective SEA team. The complaint does not have to be submitted in English, it can be submitted in the individual's or organization's native language'. However, it is not clear how the Company ensures all affected external stakeholders at its own operations are made aware of it. [Human Rights and Responsible Business Practices FAQ, 2019: adidas-group.com] & [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Met: Describes how external individuals/communities access grievance mechanism: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'The complaints procedure enables individuals, groups and organizations to report human rights and environment-related risks as well as violations of human rights or environment-related obligations that have arisen due to our own business activities or in our supply chain. [...] Our complaints procedure is open to those directly affected, as well as those who are aware of potential or actual adverse human rights and environmental impacts. These include, for example: Workers employed in indirect and direct suppliers; Business partners; Trade unions, non-governmental organizations; Other third parties, e.g., local communities'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Met: Expects supplier to convey expectation to their suppliers: See above. It includes indirect suppliers. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com]
C.3	Users are involved in the design and performance of the mechanism(s)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes how users engaged on design and performance • Not Met: Provides user engagement examples (at least two) on design and performance <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes how users engaged on improvement of mechanism: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'This complaint procedure is an integral part of adidas' human rights and environmental due diligence (HREDD) system. As such, adidas will evaluate the effectiveness of the procedure annually and/or as needed. In particular, the feedback of complainants and other affected stakeholders is used to drive continuous improvement'. However, no further details found. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Not Met: Provides user engagement examples (at least two) on improvement
C.4	Procedures related to the mechanism(s) are equitable, publicly available and explained	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Describes procedure and timescales for managing complaints or concerns: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'adidas confirms receipt of the complaint within five working days and informs the complainant of a contact person for its process. [...] adidas will assess whether the facts described include potential violations under applicable national or international law or other violations of the adidas Workplace Standards. adidas will also review whether sufficient information is available for further processing. If this is not the case, adidas will contact the complainant – if possible – or otherwise attempt to obtain the missing information. If this is not possible despite all efforts, the complaint is not accepted and the complainant is informed of this, stating reasons. [...] Accepted complaints will be forwarded to the relevant SEA team or local compliance officer. [...] The relevant team member will discuss the facts with the complainant and determine the complainant's expectations with regard to possible prevention, mitigation or remedial measures. To clarify the facts of the case, investigations are initially carried out. If necessary, adidas may commission an independent third party to conduct an external investigation or to support with mediation'. However, timescales beyond the initial confirmation of receipt were not found. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Not Met: Describes technical, financial, advisory support to enable equal access <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describe types of outcome to complainant through use of mechanism • Not Met: Describes escalation to senior levels / independent adjudicators

Indicator Code	Indicator name	Score (out of 2)	Explanation
C.5	Prohibition of retaliation for raising complaints or concerns	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public statement prohibiting retaliation against workers/stakeholders: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'adidas prohibits any form of retaliation against persons who have filed a complaint with adidas. It is irrelevant whether the grievance or complaint proves to be justified or unfounded'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Met: Describes practical measures to prevent retaliation: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'The complaint can be made by a named complainant or anonymously. Ideally, adidas would like to contact a complainant and verify the details of any allegation, but we do understand that at times, individuals may wish to make an anonymous complaint'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Specifies no legal action, firing or violence: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'As retaliation can take many forms (loss of job, demotion, involuntary transfer, harassment, intimidation, etc.) we will deal with each incidence on a case-by-case basis and look for tailored solutions'. However, these seem to be examples of types of retaliation rather than a Company's statement indicating it will not retaliate against workers and stakeholders through these methods. Moreover, beyond the types the Company has already mentioned, it is not expected to indicate it will not take legal action against persons or organisations who have brought or tried to bring a case against it involving credible allegation of adverse human rights impacts, or against the lawyers representing them. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Not Met: Expects suppliers to prohibit retaliation against workers/stakeholders: The Workplace Standards indicates: 'Business partners must publicise and enforce a non-retaliation policy that permits factory employees to express their concerns about workplace conditions directly to factory management or to adidas without fear of retribution or losing their jobs'. Suppliers are expected to cascade these provisions down their supply chain. Similarly, the Guidelines on Employment Standards notes: 'The policy should be published and enforced in parallel with disciplinary practices that permits factory employees to express their concerns about workplace conditions without fear of retribution or losing their jobs'. However, it is not clear it expects suppliers to prohibit of retaliation including of individual stakeholders and communities at supplier level, as it, in both texts, explicitly mentions 'employees'. [Workplace Standards, 01/2016: adidas-group.com] & [Guidelines on Employment Standards, 05/2023: adidas-group.com]
C.6	Company involvement with state-based judicial and non-judicial grievance mechanisms	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Complainants not asked to waive legal rights: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'An individual, organization, group or community submitting a complaint is free to pursue their legal rights and access all available judicial mechanisms, in parallel with, or following adidas' consideration of their complaint. In fact, pursuing such a course of action may be vital if matters of national law, or legal interpretation, are important elements of a complaint'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Not Met: Does not require confidentiality provisions: The Complaint Procedure for Human Rights & Environmental Impacts indicates: 'Open and transparent handling of the complaint – meaning that all information received will be provided to all other parties to the complaint and will include an open process of engagement, social dialogue or other form of dispute resolution often contributes to effective problem solving. However, without explicit consent to a transparent handling of the complaint, the identity of the complainant will be treated confidentially'. However, this subindicator looks for evidence where the Company states that it does not require confidentiality provisions (e.g., non-disclosure agreements) with respect to human rights grievances. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Cooperates with state based non judicial mechanisms: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'adidas is committed to complying with the OECD Guidelines for Multinational Enterprises (MNE Guidelines). [...] The National Contact Points (NCPs) in the participating countries promote the effective implementation of the OECD guidelines. In the

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>event of complaints due to any violations of the OECD guidelines, they provide a neutral forum for dispute resolution. For this purpose, the German National Contact Point (NCP has set up a complaint procedure that is open to natural or legal persons, trade unions and non-governmental organizations'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com]</p> <ul style="list-style-type: none"> • Not Met: Example of issue resolved (if applicable)
C.7	Remedying adverse impacts	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes approach taken to remedy adverse HRs impacts: The document Summary of Human Rights Complaints Handled by adidas in 2022 discloses different cases raised. It includes: 'On February 1, 2022, adidas received a mail from a local trade union (Teksif) who claimed that they are organizing in Arikbey Konya facilities and that three of their official members were fired on January 28, 2022 because of their union membership'. The Company: 'requested Arikbey to rehire and reinstate these workers and ensure that no other workers faced dismissal, in breach of local laws and adidas' Workplace Standards. Arikbey proceeded to negotiate with the dismissed workers, 6 of whom signed a mutual agreement for financial compensation in lieu of reinstatement. Three of the workers did not accept the financial package offered by Arikbey and subsequently sued Arikbey, with the support of Teksif'. [Summary of Human Rights1 Complaints Handled by adidas in 2022, 2023: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes changes to systems, processes and practices to prevent future impacts • Met: Describes approach to monitoring/implementing agreed remedy: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'The complainant is informed about the conclusion of the proceedings and receives a brief summary of the result and is asked if they are satisfied with the actions taken or resolution achieved. The responsible SEA team or the responsible Compliance Officer monitors compliance with the agreed preventive or remedial measures. If necessary, adidas will commission an independent third party for this purpose'. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] • Not Met: Describes approach to learning from incidents if no adverse impacts identified
C.8	Communication on the effectiveness of grievance mechanism(s) and incorporating lessons learned	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Discloses number of grievances filed, addressed or resolved and outcomes achieved: The 2022 Case Analysis of Third Party Complaints indicates: 'In 2022 adidas handled 13 cases using its third-party complaint mechanism of which 9 were new and 4 were carried over from FY2021. SEA closed 3 of these cases during the year and disqualified 1 case, which was transferred to our Play Fair complaint channel for employees'. It discloses each of the cases in the document Summary of Human Rights Complaints Handled by adidas in 2022 with information on the complainant, Related Facility or Entity, the Complaint, Outcome and Status (Date case opened/closed). [Case analysis - Third Party Complaints, 2022: adidas-group.com] & [Summary of Human Rights1 Complaints Handled by adidas in 2022, 2023: adidas-group.com] • Met: Example of how lessons from mechanism improved HRs management system: Regarding key learning and planned actions, the 2022 Case Analysis of Third Party Complaints indicates: 'While every case is unique, in 2022 we managed a higher number of complaints related to Freedom of Association issues. These complaints were submitted by local or overseas trade unions or affiliated labor rights groups. Typically, concerns were centred on the right to organize, or allegations over anti-union discrimination, or unfair dismissal. These cases have tended to be concentrated in those countries where there is already a significant presence of trade unions in our suppliers' factories, such as in Cambodia and Indonesia, or in Central America. Due to the predominance of Freedom of Association complaints, in 2023 we commit to engaging with our suppliers in higher risk locations and increasing our support for collaborative industry approaches, to ensure respect for Freedom of Association and upholding the expectations within our Workplace Standards to recognize and respect the right of employees to join and organize associations of their own choosing and to bargain collectively'. [Case analysis - Third Party Complaints, 2022: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Describes process to evaluate mechanism and changes made as a result: The document Complaint Procedure for Human Rights & Environmental Impacts indicates: 'adidas will evaluate the effectiveness of the procedure annually

Indicator Code	Indicator name	Score (out of 2)	Explanation
			and/or as needed. In particular, the feedback of complainants and other affected stakeholders is used to drive continuous improvement'. However, no further details found on process and changes made as a result. [Complaint Procedure for HR & Environmental Impacts, 01/2023: adidas-group.com] <ul style="list-style-type: none"> • Not Met: Describes procedures to address delays of outcomes agreed with stakeholders

D. Performance: Company Human Rights Practices (25% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.1.b	Living wage (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on living wage in supplier codes and contracts: The Workplace Standards [Supplier Code of Conduct] states: 'All legal requirements relating to wages and benefits must be met. Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher. [...] Workers have the right to compensation for a regular work week that is sufficient to meet workers' basic needs and provide some discretionary income. Where compensation does not meet workers' basic needs and provide some discretionary income, business partners must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programmes and other services'. However, requirement to living wage must include reference to family and/or dependents according to the CHRB criterion. The webpage section Workers in the Supply Chain notes: 'The idea of a living wage is that workers – and their families – are able to afford a decent standard of living that is considered acceptable by society at its current level of economic development. A fair compensation approach goes further than this. [...] Our aspiration – as set out in the core principles of our Workplace Standards – is that workers earn enough for themselves and their families' basic needs and have income remaining to cover discretionary spending as well as savings. [...] As a member of the Fair Labor Association (FLA), we have aligned our compensation definition, approach, and strategy with FLA benchmarks and fair compensation methodology. Additionally, as part of our fair compensation concept, we have also adopted the Global Living Wage Coalition's (GLWC) definition and benchmarks, where available, to measure and track wage progress. [...] Going forward, our wage assessments conducted via the FLA Fair Compensation tools and dashboard will be used to benchmark, track, and measure wage progress'. According to the FLA Workplace Code of Conduct and Compliance Benchmarks Fair Compensation / Basic Needs means: 'Where compensation for a regular workweek is not sufficient to meet workers' basic needs* and provide some discretionary income, each employer shall work with the FLA to take appropriate actions that seek to progressively realize a level of compensation that does'. However, as indicated above, the Company's official policy requirements for suppliers do not seem to include family/dependents. It is not clear if the alignment of the new approach is included in supplier contractual requirements (the code does not seem to capture it). [Workers in the Supply Chain_web, N/A: adidas-group.com] & [Workplace Standards, 01/2016: adidas-group.com] • Not Met: Describes work with suppliers on living wage: The webpage section Workers in the Supply Chain indicates: 'As a starting point, in 2021 we launched wage benchmarking assessments in Cambodia, Indonesia and Vietnam, which together represent 50% of our strategic suppliers. We will complete our initial benchmarking of these three countries in 2022, before continuing to benchmark and track our strategic suppliers in other countries in 2023 and beyond'. However, it is not clear how it proactively works to support the payment of a living wage by its suppliers. The Company also indicates that as a member of the Fair Labor Association (FLA), we have aligned our compensation definition, approach, and strategy with FLA benchmarks and fair compensation methodology. Additionally, as part of our fair compensation concept, we have also adopted the Global Living Wage Coalition's (GLWC) definition and benchmarks, where available, to measure and track wage progress. [...] Going forward, our wage assessments conducted via the FLA Fair Compensation tools and dashboard will be used to benchmark, track, and measure wage progress'. Not clear however, the actual work conducted with suppliers to help them improve on this matter. [Workplace Standards, 01/2016: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of payment below living wage in supply chain

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Analysis of trends demonstrating progress: The webpage section Workers in the Supply Chain indicates: 'Between 2016-2018, we conducted wage assessments in 48 factories across Cambodia, Honduras, Indonesia, Ukraine, and Vietnam, covering approximately 27% of our global strategic factories. These assessments helped shape our current fair compensation strategy and priorities as they stand today'. However, no analysis of trends demonstrating progress found for last three reporting years. [Workplace Standards, 01/2016: adidas-group.com]
D.2.2	Aligning purchasing decisions with human rights	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Describes practices to avoid price or short notice requirements that undermine HRs: The Responsible Sourcing & Purchasing Policy states: 'As a guide to our implementation of responsible sourcing and purchasing practices in our organisation, we have translated these policy objectives into 10 Buyer Commitments we make to our suppliers: [...] Place orders to suppliers with advance notice: Providing suppliers with the necessary advance notice of production orders to allow for effective production planning and supporting them in balancing volumes, to better manage peaks and troughs'. It adds: 'All relevant employees engaged in development, planning, costing, sourcing, and purchasing activities are expected to conduct their work consistently with the principles of this policy. Owners of development, planning, costing, sourcing, and purchasing policies, and related procedures, are expected to ensure these are aligned with and support these principles. [...] Wherever existing sourcing and/or purchasing practices are identified as having a potential negative impacts on our suppliers' compliance with the Workplace Standards, prompt action shall be taken for remediation and realignment'. [Responsible Sourcing & Purchasing Policy, 01/07/2017: adidas-group.com] • Not Met: Describes practices to pay suppliers in line with agreed timeframes • Not Met: Reviews own operations to mitigate negative impact of purchasing practices: The 2022 Annual Report indicates: 'in 2022, we continued to focus on our own purchasing practices in accordance with our 'Responsible Sourcing Policy' to ensure that they do not negatively impact our manufacturing partners' ability to comply with our standards. As a subscriber to the Better Buying Institute, an independent organization that assesses sourcing practices of participating brands, we continued to collaborate with our Sourcing team, who took actions to further improve our purchasing practices based on the feedback we received in the Better Buying reports. In addition, in partnership with Better Buying, we developed an e-learning training about responsible purchasing practices, which was launched to adidas' Global Operations employees'. However, no details found in relation to how there are implications for planning, merchandising and costing. [2022 Annual Report, 03/2023: report.adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Meets all requirements under score 1 • Not Met: Example of assessing and changing of purchasing practices
D.2.3	Mapping and disclosing the supply chain	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Identifies direct and indirect suppliers including manufacturing sites: The webpage section Workers in the Supply Chain indicates: 'We are committed to transparency and make public the names and locations of our main suppliers and their immediate subcontractors, including those making indirectly for us through licensees and agents. We also publish lists of our Tier 2 materials suppliers'. It publishes its global factory list. It includes primary suppliers, licensees and wet process suppliers. [Workers in the Supply Chain_web, N/A: adidas-group.com] & [Global Factory List 2023, 2023: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Discloses names and locations of significant parts of supply chain and how significance was defined: As indicated above, it publishes its global factory list. It includes primary suppliers, licensees and wet process suppliers. The list contains collation, account name, address, Tier, product categories among other information. The webpage section Supplier list adds: 'Being committed to transparency and public disclosure, we have fully disclosed our global factory lists and published detailed information including the names and locations of suppliers by country since 2007. This extends to primary suppliers, subcontractors, licensees and suppliers where the majority of wet processes are carried out'. [Global Factory List 2023, 2023: adidas-group.com] & [Supplier Lists_web, N/A: adidas-group.com] • Not Met: Discloses direct or indirect suppliers involved in higher-risk activities

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.4.b	Prohibition of child labour: Age verification and corrective actions (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on child labour in supplier codes and contracts: The Workplace Standards [Supplier Code of Conduct] indicates: 'Business partners must not employ children who are less than fifteen (15) years old, or less than the age for completing compulsory education in the country of manufacture where such age is higher than fifteen (15)'. The Guidelines elaborate on requirements, and include the following: 'Verify the minimum age requirements for the country/province/etc. where the factory is located. If the minimum age is higher than 15, this is the minimum age standard. In all other cases, the minimum age is 15 years old, per adidas policy [...] Establish a system for assessing the age of new recruits/job applicants and implement a procedure for cross-checking this information against legal documentation verifying a person's age (e.g. ID Card, Driver's License, Passport, etc.). As required, develop procedures for identifying false IDs or forged age documentation. If ID or age documentation appears false and cannot be sufficiently cross-referenced to establish the correct age of the job applicant, do not hire the applicant. It also adds: 'In the event that child labour is discovered in the factory, consult the child and the child's parents or guardians regarding: the circumstances of the child and his or her family (for example, what led the child to seeking a job at the factory, initially, and who influenced that decision); identify educational opportunities that exist both within and outside the factory; or whether a parent or adult relative might be hired in place of the child while the child completes their education'. [Workplace Standards, 01/2016: adidas-group.com] • Not Met: Describes work with suppliers on eliminating child labour: The webpage section Workers in the Supply Chain indicates: 'As a global sporting goods company, adidas has long championed children's right to play, including access to sports. To achieve this, we have both launched and participated in several initiatives. Recently, adidas has worked with the Ministry of Education in China, providing training for around 50,000 Chinese sports teachers, who in turn are teaching soccer skills in more than 20,000 schools, reaching 20 million youngsters in total. In partnership with UNESCO, adidas has also had a part to play in the Fédération Internationale de Football Association's (FIFA's) Football for Schools program, which aims to make football more accessible to children, by incorporating football activities into physical education curricula. This international sports program targets over 700 million school children. As a sponsor of clubs, players, and sports bodies – such as FIFA – we have engaged with our partners over the question of child safeguarding, especially for young professionals. That engagement has included outreach to the Centre for Sports and Human Rights in Geneva, which is actively promoting child safeguarding around major sporting events, such as the FIFA World Cup events. adidas is a member of the Centre's Advisory Council, along with UN agencies, governments, unions, and other civil society groups'. However, it is not clear how it proactively works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant. Guideline for Preventing Child Labour, Managing Employment of Juvenile Workers, Third Party Relationship and Case Study is a guide for suppliers on how to prevent child labour. It contains information on: recruitment process, factory document checklist, a charter showcasing the system for avoiding employment of underage workers, how to handle cases of child labour [with short- and medium-term steps to be taken], childcare facilities, guideline for juvenile worker employment and third-party relationships. However, although the Company has the guideline, the methodology looks for evidence of how the Company proactively works with suppliers, beyond publishing a guide (i.e. how it embeds it in supply chain). [Workers in the Supply Chain_web, N/A: adidas-group.com] & [Guideline for Preventing Child Labour, Managing Employment, N/A: pspoanonymousstorage.blob.core.windows.net] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of child labour in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.5.b	Prohibition of forced labour: Recruitment fees and costs (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on debt/fees in supplier codes and contracts: The Policy on Responsible Recruitment indicates: 'In the absence of direct recruitment, workers must be hired through ethically compliant labor brokers and recruitment agencies. Suppliers must have a formal policy and due diligence process in place for vetting recruitment a process in place for vetting recruitment agencies responsible for supply. [...] No recruitment fees or related costs should be charged to, or otherwise borne by, workers'. [Policy on responsible recruitment, 2019: adidas-group.com] • Met: Describes work with suppliers on debt/fees for job seekers/workers: The 2021 Modern Slavery Progress Report indicates: 'In 2021, we provided targeted trainings for private recruitment agencies from the four identified key sending countries to raise their awareness on international standards on responsible recruitment and available certifications. The training was conducted in partnership with IOM, as part of our drive to increase overall awareness of ethical recruitment, improve recruitment fee transparency, and build capability and understanding of the 'International Recruitment Integrity System' ('IRIS'), the global standard for ethical recruitment'. [2021 Modern Slavery Progress Report, 2022: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of payment of recruitment fees in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.d	Prohibition of forced labour: Wage practices (in the supply chain)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Requirements on paying in full and on time in supplier codes and contracts: The Workplace Standards [Supplier Code of Conduct] indicates: 'All legal requirements relating to wages and benefits must be met'. The Guidelines further indicate that 'Wages must be paid in a timely and reasonable manner, and always within the amount of time specified by local law. A best practice would be to pay within 7-10 days after the end of the month'. However, no evidence found of a requirement to pay in full. [Workplace Standards, 01/2016: adidas-group.com] & [Guidelines on Employment Standards, 05/2023: adidas-group.com] • Not Met: Describes work with suppliers on paying workers regularly, in full and on time <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment scope of failure to pay workers in full and on time in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.5.f	Prohibition of forced labour: Restrictions on workers (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on free movement in supplier codes and contracts: The Workplace Standards [Supplier Code of Conduct] indicates: 'Business partners must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise, or permit the trafficking in persons for the purposes of forced labour. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views'. The Policy on Responsible Recruitment states: 'Our Responsible Recruitment Guiding Principles align with the ILO's general principles for fair recruitment: [...] Freedom of workers to move within a country or to leave a country should be respected. Workers' identity documents such as passports, land title deeds, diplomas, employment contracts and so on should not be confiscated, destroyed or retained'. [Workplace Standards, 01/2016: adidas-group.com] & [Policy on responsible recruitment, 2019: adidas-group.com] • Not Met: Describes working with suppliers on free movement of workers <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of movement in supply chain • Not Met: Analysis of trends demonstrating progress

Indicator Code	Indicator name	Score (out of 2)	Explanation
D.2.6.b	Freedom of association and collective bargaining (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on FoA/CB in suppliers codes and contracts: The Workplace Standards [Supplier Code of Conduct] indicates: ‘Business partners must recognise and respect the right of employees to join and organise associations of their own choosing and to bargain collectively. Business partners must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives’. The additional document on guidelines on employment standards provides further guidelines and examples of non-conformance and best practice guidance related to intimidation and violence against union representatives. [Workplace Standards, 01/2016: adidas-group.com] • Met: Describes work with suppliers on FoA/CB: The webpage section Workers in the Supply Chain indicates: ‘in Indonesia we were a leading party in a multi-stakeholder process with local trade unions, non-government organizations and suppliers to develop an FOA Protocol – a basic framework for the exercise of trade union rights in the workplace. Elsewhere, we have worked with labor officials, trade unions and suppliers to run FOA awareness training sessions, to strengthen workers’ understanding of their associational rights to form and join organizations of their own choosing and their right of access to trade union representation’. [Workers in the Supply Chain_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of restriction of FoA/CB in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.7.b	Health and safety: Fatalities, lost days, injury, occupational disease rates (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on H&S in supplier codes and contracts: The Workplace Standards [Supplier Code of Conduct] indicates: ‘A safe and hygienic working environment must be provided, and occupational health and safety practices which prevent accidents and injury must be promoted. This includes protection from fire, accidents and toxic substances. Lighting, heating and ventilation systems must be adequate. Employees must have access at all times to sanitary facilities which should be adequate and clean. Business partners must have health and safety policies which are clearly communicated to employees. Where residential facilities are provided to employees, the same standards apply’. [Workplace Standards, 01/2016: adidas-group.com] • Not Met: Discloses injury rate or lost days in supply chain in last reporting period • Not Met: Discloses fatalities for workers in supply chain in last reporting period • Not Met: Discloses occupational disease rate in supply chain in last reporting period <p>Score 2</p> <ul style="list-style-type: none"> • Met: Describes work with suppliers of H&S: The webpage section Supply Chain indicates: ‘As part of our continuous efforts to achieve more effective and sustainable practices within the supply chain, we have initiated a system of multi-level and cross-functional training sessions with our global supplier network. In 2022, we trained around 4,500 staff and personnel through around 180 training sessions. We have three main approaches to training content: [...] Performance training: includes detailed training on specific issues related to labor, health, safety and environmental practices, as well as initial assessment monitoring methods [...]’. [Supply Chain_web, N/A: adidas-group.com] • Not Met: Assessment of scope of H&S issues in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.8.b	Women's rights (in the supply chain)	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on women's rights in contracts/codes with suppliers: The Company provides specific guidance on Women’s rights throughout its employment guidelines in which it refers to CEDAW, Equal Pay for Equal Work and, in its examples of non-compliances refer to, among others: ‘providing less favourable contract terms or work conditions based on a personal characteristic. For example, not providing equal pay for equal work to women on the basis of their gender’; ‘testing workers for pregnancy during recruitment or post-hiring’, etc. [Guidelines on Employment Standards, 05/2023: adidas-group.com]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Met: Describes work with suppliers on women's rights: The webpage section Workers in the Supply Chain indicates: 'in 2022 we launched our 'Gender Strategy for Business Partners' to guide and help our strategic suppliers in this process. In addition, we introduced and shared guidelines alongside a self-assessment tool to help them develop and implement their own gender strategy. The tool is designed to help suppliers identify gender-related gaps in their operating practices and procedures and provide the building blocks they need to develop their own gender strategy. In 2023, suppliers will develop improvement plans aimed at closing potential identified gaps. These insights will help us to track their progress against their plans. We have also developed specific guidance and offer tailored programs and initiatives in collaboration with organizations aimed at securing the rights and ensuring the occupational safety of female workers in our supply chain'. It provides examples of specific programmes its part of: 'Women in Factories (China): Initiated in collaboration with Walmart in 2011, this program has been continued at one of our key suppliers in North China with more than 16,000 workers. It aims to provide capacity building to female workers through fundamental life skills training for women in the workplace. Topics include health, communication, skills necessary for career advancement and for gaining practical knowledge that can enhance quality of life for workers and their families. Every year, a new batch of female workers is enrolled into this program'. [Workers in the Supply Chain_web, N/A: adidas-group.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assessment of scope of unsafe working conditions/discrimination against women in supply chain • Not Met: Analysis of trends demonstrating progress
D.2.9.b	Working hours (in the supply chain)	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Requirements on working hours in codes/contracts with suppliers: The Workplace Standards [Supplier Code of Conduct] indicates: 'Employees must not be required, except in extraordinary circumstances, to work more than sixty (60) hours per week including overtime or the local legal requirement, whichever is less. A regular work week must not exceed 48 hours, all overtime work must be consensual and not requested on a regular basis. Employees must be allowed at least twenty four (24) consecutive hours rest within every seven-day period, and must receive paid annual leave'. 'In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate'. [Workplace Standards, 01/2016: adidas-group.com] <ul style="list-style-type: none"> • Not Met: Describes work with suppliers on working hours: The webpage section Workers in the Supply Chain indicates: 'UNICEF is implementing a workplace program at footwear and apparel suppliers in Vietnam covering issues of breastfeeding, maternity protection, maternal health & nutrition, wages and working hours, among others. Two adidas suppliers, with a total workforce of close to 76,000 workers, are enrolled in this program'. However, although INICEF is working with these suppliers, it is not clear how the Company works with them. The indicator focuses on the Company's work carried with suppliers to improve their practices in relation to working hours. <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Assesment of scope of excessive working hours in supply chain • Not Met: Analysis of trends demonstrating progress

E. Performance: Responses to Serious Allegations (20% of Total)

Indicator Code	Indicator name	Score (out of 2)	Explanation
E(1).0	Serious allegation No 1		<ul style="list-style-type: none"> • Area: Forced labour; Discrimination • Headline: Supply chains of Kraft Heinz and others criticized for forced labour and discrimination linked to China's political assimilation ethnic Uyghurs and Muslims • Story: On 16 May 2019, an investigation by the Wall Street Journal (WSJ) has identified forced labour in supply chains linked to major western brands, including apparel and food manufacturers. The article cites interviews with a number of workers of Uyghur ethnicity, who have been 'recruited' from their villages and forced to work in factories as part of the Chinese government's 're-education' program focused in the Xinjiang region, which many NGO and human rights groups have criticised as amounting to situations of discrimination and coercion. In early 2017, the Communist Party began a new incarceration campaign, rounding up, detaining and forcibly indoctrinating Uyghurs and other Muslim minority ethnic groups in the far-western region. Islam has effectively been outlawed in the far-western region, with people routinely labelled as extremists and imprisoned for practising their religion. A UN committee describes the province as resembling a "mass internment camp", with estimates more than 1 million Uyghurs have been sent to prison or re-education camps. The article observes that "The grey yarn made by Huafu [Huafu Fashion Co.] in Xinjiang goes to factories elsewhere in China and in Bangladesh and Cambodia that weave T-shirts for Hennes & Mauritz's H&M retail chain, two people familiar with the company say. The yarn also turns up in the supply chains of Adidas and Esprit Holdings Ltd., although the brands don't buy directly from Huafu, according to the companies." In response to queries, Adidas told the WSJ it has advised its suppliers to suspend yarn purchases from Huafu pending its investigation. The WSJ notes that Adidas had already banned its suppliers from hiring workers through Xinjiang government agencies in 2016, saying it was concerned about forced labour and discrimination. [Wall Street Journal, 16/05/2019, "Western Companies Get Tangled in China's Muslim Clampdown": wsj.com] [BBC, 13/11/2019, "Xinjiang cotton sparks concern over 'forced labour' claims": bbc.co.uk] [Business & Human Rights Resource Centre, 16/05/2020, "Adidas' response to research findings published by the Australian Strategic Policy Institution ": business-humanrights.org] [Mandates of the Working Group on the issues of human rights and transnational corporations and other business enterprises, 12/03/2021, "Letter to Adidas, refrence number OTH 53/2021": spcommreports.ohchr.org]
E(1).1	The company has responded publicly to the allegation	1	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response: In response to the allegation, the company stated that has advised its suppliers to suspend yarn purchases from Huafu pending its investigation. Adidas had already banned its suppliers from hiring workers through Xinjiang government agencies in 2016, saying it was concerned about forced labour and discrimination. [Wall Street Journal, 16/05/2019: wsj.com] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Detailed response: The company stated: "In spring 2019, we explicitly required our materials suppliers not to buy yarn from the Xinjiang region. That included a prohibition on sourcing yarn from Huafu Top Dyed Melange Yarn Co. Ltd, which produces in that region. We can confirm that Haoyuanpeng Clothing Manufacturing Co. Ltd is neither an active nor authorized entity in our supply chain. We have engaged directly with the factory's management team and they have issued adidas with an apology, for having falsely displayed adidas logos on their website and building. These have now been removed. We do not produce goods in Qingdao Jifa Huajin Garment Co. Ltd. It is not an approved or authorized supplier for adidas. We have reached out to the parent company, Jifa, to understand more". <p>However, the Company does not address the issue of forced labour and discrimination raised in the allegation. [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org]</p>
E(1).2	The company has investigated and taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Engaged with stakeholders: The Company states it is engaging with the Fair Labor Association. However, there is no indication that affected stakeholders consider the Fair Labor Association as legitimate representative. [Wall Street Journal, 16/05/2019: wsj.com] [BBC, 13/11/2019: bbc.co.uk] [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org]

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<ul style="list-style-type: none"> • Not Met: Identified cause: The company stated that the actions taken are form part of its ongoing efforts to ensure that there are no supply chain linkages to XUAR, or to the export of labour from this region. Those efforts include close engagement with the Fair Labor Association, which has called on its affiliates to develop timebound plans to address forced labour risks related to Xinjiang, and our collaboration with industry associations in North America, who have recently issued a Statement on this matter. However, no information was found on whether the Company investigated the underlying issues of forced labour and discrimination of Uyghurs. [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Identified and implemented improvements: The company stated: "In spring 2019, we explicitly required our materials suppliers not to buy yarn from the Xinjiang region. That included a prohibition on sourcing yarn from Huafu Top Dyed Melange Yarn Co.Ltd, which produces in that region". [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org] • Not Met: Stakeholder input to steps taken: There is no evidence suggesting that the stakeholders provided input into the steps taken to identify the allegation's cause. [Wall Street Journal, 16/05/2019: wsj.com] [BBC, 13/11/2019: bbc.co.uk] [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org]
E(1).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Provided remedy: There is no evidence suggesting the company provided remedy to the affected stakeholders. [Wall Street Journal, 16/05/2019: wsj.com] [BBC, 13/11/2019: bbc.co.uk] [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org] • Not Met: Evidence for lack of Impact or link: The company stated: "In spring 2019, we explicitly required our materials suppliers not to buy yarn from the Xinjiang region. That included a prohibition on sourcing yarn from Huafu Top Dyed Melange Yarn Co. Ltd, which produces in that region. We can confirm that Haoyuanpeng Clothing Manufacturing Co. Ltd is neither an active nor authorized entity in our supply chain. We have engaged directly with the factory's management team and they have issued adidas with an apology, for having falsely displayed adidas logos on their website and building. These have now been removed. We do not produce goods in Qingdao Jifa Huajin Garment Co. Ltd. It is not an approved or authorized supplier for adidas. We have reached out to the parent company, Jifa, to understand more." However, no evidence was found that the Company did not indirectly source from Huafu Top Dyed Melange Yarn Co. Ltd.. before spring 2019. [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Remedy satisfactory to stakeholders: There is no evidence suggesting the company provided remedy to the affected stakeholders. • Not Met: Remedy delivered: There is no evidence suggesting the company provided remedy to the affected stakeholders. [Wall Street Journal, 16/05/2019: wsj.com] [BBC, 13/11/2019: bbc.co.uk] [Business & Human Rights Resource Centre, 16/05/2020: business-humanrights.org] • Not Met: Independent remedy process used
E(2).0	Serious allegation No 2		<ul style="list-style-type: none"> • Area: FoA/CB; Forced labour <p>• Headline: Union leaders arrested after over 1000 workers protest outside Adidas supplier over alleged violations incl. delayed payment of wages</p> <p>• Story: The Clean Clothes Campaign reported that over 5,600 garment workers in Cambodia supported a strike at a supplier to global sports brand Adidas on 1 June. The campaign group says over 1,000 workers rallied outside the Can Sports shoe factory and presented a list of 35 demands.</p> <p>The demands included payment of delayed wages and overtime and tackling what is described as concerning access to food vendors to address hunger and exhaustion experienced by the workers during their shifts.</p> <p>The Clean Clothes Campaign said the Cambodia factory had agreed to some of the demands and as a result workers have agreed to return to work, but other demands, including those regarding wages, remain unresolved.</p>

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>The Clean Clothes Campaign explained the agreement by the factory to address part of the workers' demands only came after union leaders were arrested and required to sign agreements with local authorities by thumb print stating that they would not carry out any further activities that would cause "unrest" in the factory.</p> <p>The organisation pointed out the arrests go against Adidas' Workplace Standards, which states that suppliers are required to "recognise and respect the right of their employees to join associations of their own choosing and to bargain collectively."</p> <p>Patrick Lee, legal consultant at the Center for Alliance of Labor and Human Rights (CENTRAL) in Cambodia added: "This is union-busting, plain and simple. Adidas claims to respect workers' rights, and yet a series of violations has taken place at one of its supplier factories leading to strike action and three union leaders have been arrested. This is a clear example of authorities trying to intimidate union members and leaders in the hope of stopping workers from demanding their rights. Adidas needs to take immediate action to support workers' rights and ensure something like this never happens again."</p> <p>[Just Style, 06/06/2022, "Exclusive comment: Cambodia workers strike at Adidas shoe factory": just-style.com]</p>
E(2).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response: Adidas was cited by the Business and Human Rights Resource Center on its response to the allegations of unpaid wages and union busting in Cambodia. ["Cambodia: Nike & Adidas suppliers called to meet demands of union leaders over unpaid compensation & wages" - Business and Human Rights Resource Center - 7 June 2022: business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Detailed response: In June 2022, a spokesperson of Adidas was cited by the BHRRC stating, "[w]e take the allegations very seriously and are committed to upholding freedom of association in our supplier' factories [...]. We have asked the local authorities to explain why they intervened and prevented the union officials from freely exercising their rights." In another statement, an Adidas spokesperson reportedly stated that "[t]hroughout the pandemic, Adidas has been committed to fair labor practices, fair wages and safe working conditions throughout its global supply chain [...]. We continued to source from our partners and committed to paying all orders, whether they were completed or in process. We continued to ensure legal compliance in terms of pay and benefits for all workers and tracked the working conditions in each and every factory." Previously, in May 2022, the company reportedly rejected the allegations that it was linked to wage theft during period of the COVID-19 pandemic. ["Cambodia: Nike & Adidas suppliers called to meet demands of union leaders over unpaid compensation & wages" - Business and Human Rights Resource Center - 7 June 2022: business-humanrights.org] ["Adidas Denies \$109 Million Garment Worker Wage Theft" - Sourcing Journal - 13 May 2022: sourcingjournal.com] ["Garment Workers for Adidas in Cambodia Request Discussing Unpaid Wages, which the Company Denies" - Cambodianess - 21 August 2022: cambodianess.com]
E(2).2	The company has investigated and taken appropriate action	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Engaged with stakeholders: According to the BHRRC report published in June 2022, Adidas refused to meet with union representatives regarding wages, severance and freedom of association issues. In August 2022, Adidas' director of media relations was cited by media, stating "[t]he demands that were raised by the workers during their strike, were settled promptly and directly through negotiations between the local unions and our supplier." The Company further indicates that it engaged with the supplier Can Sports on behalf of the workers. It also states that it informed the union after the workers were re-instated. However, acting on a complaint and providing information on the outcome is not considered engagement. ["Cambodia: Nike & Adidas suppliers called to meet demands of union leaders over unpaid compensation & wages" - Business and Human Rights Resource Center - 7 June 2022: business-humanrights.org] ["Garment Workers for Adidas in Cambodia Request Discussing Unpaid Wages, which the Company Denies" - Cambodianess - 21 August 2022: cambodianess.com] [Adidas, "Summary of Human Rights1 Complaints Handled by adidas in 2021": adidas-group.com] • Not Met: Identified cause: The Company states that 'Upon receiving the complaint from CENTRAL, we immediately followed up with Can Sports. The factory management claimed that they had taken the decision to suspend the union leaders, due to an act of serious misconduct, where the union had posted on

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>social media “inappropriate photos” from a minimum wage protest. We found no compelling evidence of any actions that would be considered “serious misconduct”.</p> <p>However, the above only outlines an investigation into claims of serious misconduct by the workers. No information was found of an investigation into the root causes of why the workers were truly fired. [Summary of Human Rights1 Complaints Handled by adidas in 2021, 2021: adidas-group.com]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Identified and implemented improvements: Adidas established its supply chain code of conduct which is called, "Workplace Standards". Part of this policy is to aspire to provide fair compensation to workers in its supply chain. As a member of the Fair Labor Association (FLA), Adidas has aligned its "compensation definition, approach and strategy with FLA benchmarks". According to Adidas, "[its] wage assessments via the FLA Fair Compensation tools and dashboard will be used to benchmark, track and measure wage process." Its goal is to see improvements in all fair compensation benchmarks and achieve gender wage parity for workers in its Tier 1 suppliers list by 2025. However, it is not clear whether these actions were taken to address the issue raised in this allegation or whether they are unrelated. [Workers in the supply chain, N/A: adidas-group.com] • Not Met: Stakeholder input to steps taken
E(2).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	1.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Provided remedy: In this regard, the union leaders were reinstated. [Summary of Human Rights1 Complaints Handled by adidas in 2021, 2021: adidas-group.com] • Not Met: Evidence for lack of Impact or link <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Remedy satisfactory to stakeholders: While the union leaders were reinstated, remediation did not include backpay of wages for all workers. [Summary of Human Rights1 Complaints Handled by adidas in 2021, 2021: adidas-group.com] • Met: Remedy delivered: See above. [Summary of Human Rights1 Complaints Handled by adidas in 2021, 2021: adidas-group.com] • Not Met: Independent remedy process used
E(3).0	Serious allegation No 3		<ul style="list-style-type: none"> • Area: Health & Safety <p>• Headline: Factory workers & labour rights activists allege employers are not doing enough to prevent the spread of COVID-19</p> <p>• Story: Workers and labour rights activists say employers have not been doing enough to prevent the spread of the virus.</p> <p>Ma Ei Ei Win, 37, who is one of more than 8,000 employees at the Chang Yi footwear factory in Hlaing Tharyar that makes footwear for Adidas said the factory was claiming to have no workers infected with COVID-19 when that was not true.</p> <p>“Our factory closed from July 17 to July 31, and during that time I heard that many workers were sick and one with a high fever had died. There are still workers taking sick leave because they have COVID-19,” said Ei Win, who asked to be identified by a pseudonym.</p> <p>She said the factory had taken some precautions, such as providing face masks and hand sanitiser, and had instructed workers to stay home if they were sick or lost their sense of smell. But it is impossible for employees to maintain social distancing in the factory because of the lack of space, Ei Win said. She was also critical of the company for not offering rapid COVID-19 tests, which she thinks would have been more effective at keeping the virus at bay.</p> <p>“We work about one foot apart and when we eat lunch we have no glass dividing panels on the tables to keep us separate. This resulted in at least five or six people becoming infected in every group of between 30 and 40 workers,” she said. [Frontier Myanmar, 09/09/2021, "Workers have lost all their rights': Coup and third wave leave factory workers at risk": frontiermyanmar.net]</p>
E(3).1	The Company has responded publicly to the allegation	2	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Met: Public response: In July 2022, Adidas responded to the request for comment from the Business and Human Rights Resource Centre (BHRRC) regarding the allegations of human rights violations in its supply chain in

Indicator Code	Indicator name	Score (out of 2)	Explanation
			<p>Myanmar. The company provided a detailed response addressing the allegations. [Response to allegations of human right violations in adidas supplier' factories in Myanmar, 07/2022: media.business-humanrights.org]</p> <p>Score 2</p> <ul style="list-style-type: none"> • Met: Detailed response: In its response to the BHRRC in July 2022, Adidas stated that "Since 2020, adidas has had in place a highly effective industrial hygiene and infectious disease control program, built around WHO guidance, with very strict monitoring and testing protocols. We put this program in place early in the pandemic, to safeguard the health and safety of workers in our supply chain." According to the company, its supplier (Tsang Yih Co Ltd) was required to develop and implement strict COVID-19 measures which include social distancing, implementing hygiene standards, etc. Adidas also shared that it conducted on the ground inspections and have asked its supplier to work on addressing the gaps in the COVID-19 procedures which the company identified. [Response to allegations of human right violations in adidas supplier' factories in Myanmar, 07/2022: media.business-humanrights.org]
E(3).2	The company has investigated and taken appropriate action	0.5	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Engaged with stakeholders: Although Adidas conducted on the ground inspections of its supplier's factory in Myanmar, the company did not specify whether it directly engaged with employees in the factory. [Response to allegations of human right violations in adidas supplier' factories in Myanmar, 07/2022: media.business-humanrights.org] • Met: Identified cause: According to the company, its supplier (Tsang Yih Co Ltd) was required to develop and implement strict COVID-19 measures which include social distancing, implementing hygiene standards, etc. Adidas also shared that it conducted on the ground inspections and have asked its supplier to work on addressing the gaps in the COVID-19 procedures which the company identified. [Response to allegations of human right violations in adidas supplier' factories in Myanmar, 07/2022: media.business-humanrights.org] <p>Score 2</p> <ul style="list-style-type: none"> • Met: Identified and implemented improvements: Although Adidas stated that it had asked its supplier to address the COVID-19 health and safety gaps found during its investigation, the company did not elaborate further on what these gaps were and whether they have been addressed. However, the company did release a separate statement on its various efforts on how it is protecting workers in its supply chain from COVID-19. These measure include, UN and government engagement, best practice sharing, promoting social distancing and providing PPEs, as well as encouraging proper quarantine procedures for relevant cases. [Adidas' Efforts to Support Workers in the Supply Chain During COVID-19, N/A: adidas-group.com] • Not Met: Stakeholder input to steps taken
E(3).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	0	<p>The individual elements of the assessment are met or not as follows:</p> <p>Score 1</p> <ul style="list-style-type: none"> • Not Met: Provided remedy • Not Met: Evidence for lack of Impact or link <p>Score 2</p> <ul style="list-style-type: none"> • Not Met: Remedy satisfactory to stakeholders • Not Met: Remedy delivered • Not Met: Independent remedy process used
E(4).0	Serious allegation No 4		<ul style="list-style-type: none"> • Area: Working Hours; FoA/CB • Headline: Workers of RA Intertrading denounce alleged anti-union activities following reported dismissal of representatives amid calls for better salaries in Argentina • Story: The workers of RA Intertrading have denounced the alleged suspensions and dismissals of their colleagues at the company's Buenos Aires plant amid calls to improve meagre salaries to meet the standard of living in Argentina. RA Intertrading has been accused of maltreatment and threats against workers, as well as gender and labour violence. The company is also accused of increasing production objectives, which puts the physical and mental health of workers at risk. Furthermore, workers have called on the company to end its alleged illegal anti-union attempts following the dismissal of their two representatives and other workers in an attempt to suppress right to organize. RA Intertrading reportedly manufactures products for Argentina's national football team, Nike, Adidas, and Puma.

Indicator Code	Indicator name	Score (out of 2)	Explanation
			[Agencia de Noticias Red Accion, 29/03/2022, "Textile workers who make the clothing of the National Team denounce dismissals and suspensions": anred.org]
E(4).1	The Company has responded publicly to the allegation	0	The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Public response Score 2 • Not Met: Detailed response
E(4).2	The company has investigated and taken appropriate action	0	The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Engaged with stakeholders • Not Met: Identified cause Score 2 • Not Met: Identified and implemented improvements • Not Met: Stakeholder input to steps taken
E(4).3	The company has engaged with affected stakeholders to provide for or cooperate in remedy(ies)	0	The individual elements of the assessment are met or not as follows: Score 1 • Not Met: Provided remedy • Not Met: Evidence for lack of Impact or link Score 2 • Not Met: Remedy satisfactory to stakeholders • Not Met: Remedy delivered • Not Met: Independent remedy process used

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