



## Modern Slavery Act Transparency Statement

The following statement has been prepared in the fulfilment of adidas (UK) Limited's obligations (including Reebok UK's obligations, a trading division of adidas (UK) Limited) under the Modern Slavery Act 2015 and constitutes our company's slavery and human trafficking statement for the financial year ending 31 December 2018.

The Modern Slavery Act seeks to address the role of businesses in preventing slavery and human trafficking from occurring in their business and supply chains. adidas has been supportive of the enactment of the UK Modern Slavery legislation, specifically its provisions for driving greater transparency and disclosure of the actions taken by companies to identify and address forced labor and human trafficking in global supply chains.

adidas is proud of the steps we have taken to combat modern slavery and human trafficking described in this statement and supporting documents. We are committed to further improving our practices to ensure that our preventive and remedial efforts continue to be relevant, timely and effective.

### Supply Chain Structure

adidas (UK) Limited is a wholly-owned subsidiary of adidas AG, which is a publicly-listed company on the German stock exchange. adidas' products, which are distributed and sold to consumers in the United Kingdom, are manufactured in a variety of countries from around the world. The company's global supply chain extends through various tiers from strategic manufacturing partners, to componentry and materials suppliers, to raw material sources, such as cotton, leather and natural rubber. For more information on our supply chain structure and to view our global supplier lists please see [adidas-group.com/s/supply-chain-approach](https://adidas-group.com/s/supply-chain-approach).

### Policies

We are well aware of the risks of modern slavery and human trafficking in global supply chains and have been actively monitoring and assessing the potential for adverse human rights impacts of human trafficking, forced labor and bonded labor for many years. We have clear and well-defined policies on human trafficking and slavery, and well-established due diligence processes for our own business and our supply chain, as well as a dedicated monitoring team within the company's Legal and Compliance Division which is responsible for external training and inspection. For more information on our forced labor and human trafficking policy and approach, see [adidas-group.com/s/factory-workers](https://adidas-group.com/s/factory-workers).

### Due-Diligence, Risk Assessment and Training

At adidas we have a mature social compliance program, which was founded at the end of 1990's and developed around a set of [Workplace Standards](#), which incorporate core international labor rights and human rights conventions. We continue to address forced labor, child labor and migrant labor through our monitoring of our

direct supply chain (where we have formal contractual relationships) and through our [Modern Slavery Outreach Program](#), which we established in 2016 to increase the depth and breadth of our work on potential modern slavery risks in our upstream supply chain including Tier 2 processing facilities and Tier 3 raw material sources.

Our global 2020 Sustainability Strategy sets clear targets for addressing modern slavery and human trafficking, through improved internal and external training initiatives, and by expanding our human rights due diligence efforts further along our supply chain. These are the main performance criteria against which we measure our business progress.

We measure our suppliers through an annual social compliance Key Performance Indicator. The indicator evaluates a supplier's compliance with our Workplace Standards, which include a prohibition against the use of any form of forced labor, child labor or human trafficking. Information on the social compliance performance rating of our key strategic suppliers can be found in our [2018 Annual Report](#). Suppliers are also expected to apply appropriate due diligence measures to their subordinate subcontracting relationships to prevent and mitigate human and labor rights issues. In 2019 we developed and disseminated clear guidance to help suppliers understand their due-diligence obligations in their upstream supply chain.

We have a zero tolerance approach to slavery and human trafficking. Each year we conduct country level risk appraisals that define the scope of our human rights due diligence activities, including identification of high risk issues such as human trafficking, forced labor and child labor and we actively engage in preventing, mitigating and, when necessary, remediating issues that are linked to modern slavery and human trafficking. In 2019, for example, on learning of allegations against several companies sourcing from Xinjiang, China, where ethnic minorities were reportedly subject to forced labor in spinning mills we explicitly required our fabric suppliers not to source any yarn from the Xinjiang region. adidas has never manufactured goods in Xinjiang and has no contractual relationship with any Xinjiang supplier. More information on our approach can be found in our [response to the Business and Human Rights Resource Centre](#).

To view a **summary of 2018 activities** and steps taken to end modern slavery and human trafficking see [adidas-group.com/s/factory-workers](https://adidas-group.com/s/factory-workers).

## **Partnerships**

Engaging openly with stakeholders and establishing leadership approaches for transparency and disclosure is a fundamental part of our approach to sustainability. We are deeply engaged with institutions that are seeking to end modern slavery and human trafficking and have endorsed our support for the Responsible Sourcing Network's [Yarn Ethically and Sustainably Sourced](#) initiative, AAFA/FLA [Commitment to Responsible Recruitment](#), the Mekong Club's [Business Pledge against Modern Slavery](#), the [Cotton Pledges Against Forced Labor](#) among others. To learn more about our partnerships approach see [adidas-group.com/s/partnerships](https://adidas-group.com/s/partnerships).

If any consumer has a concern or question related to adidas's approach to tackling human trafficking and slavery, please write to us at: [modernslavery@adidas.com](mailto:modernslavery@adidas.com)

This statement is made pursuant to s54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2018.

This statement was approved by the Boards of both **adidas (UK) Limited** and **Reebok International Limited**



---

Gavin Thomson - Senior Vice President &  
General Manager

**adidas (UK) Limited**

Date: October 2019



---

Martin O'Brien - Financial Director

**Reebok International Limited**

Date: October 2019