

adidas Group Individual Roadmap Toward Zero Discharge of Hazardous Chemicals

November 18, 2011

This Individual Roadmap reflects the specific actions which the adidas Group will initiate to contribute to the Joint Roadmap of the adidas Group, C&A, H&M, Li Ning, NIKE Inc. and PUMA (Joint Roadmap toward Zero Discharge of Hazardous Chemicals; November 2011).

We recognise that the goal of 'Zero Discharge' demands the collective action of industry, regulators and other stakeholders. We believe that the elimination of hazardous chemicals does not only need collaboration and partnership with our industry peers, but also a holistic and integrated approach. We will apply value-chain as well as life-cycle thinking and innovation throughout this process and to our approach for Integrated Chemicals Management.

Sustainable Practices and Global Supply Chains

The adidas Group works with more than 1,200 contract factories in 69 countries around the world. This work is done within a complex and tiered network of buyers, agents, distributors and material suppliers. Generally, material suppliers, chemical suppliers, and dyeing/finishing facilities are shared among dozens of other international brands in the sporting goods, fashion and retail industries.

As a company that is committed to sustainable business practices in our own operations and our global supply base, we support in principle Greenpeace's aspiration for a world that is free of hazardous chemicals. However, while we are committed to being part of the solution, we have to acknowledge that the management of chemicals in multi-tiered supply chains is a complex challenge, requiring many actors to play a role in achieving this goal.

The adidas Group has had a strong track record in running leadership programmes which have reduced and minimised the use of chemicals in its products and along its supply chain. For example, in 2000, the company was a pioneer in phasing out PVC materials from its products. In the same year the company kicked off the VOC 2000 initiative to significantly reduce volatile organic compounds in athletic footwear manufacturing. By using innovative bonding and cementing systems the VOC content per pair was reduced from around 140g/pair in 1999 to 25g/pair in 2010.

Other important steps that were taken to address chemicals include:

- A comprehensive Restrictive Substances Policy for product materials has been in place since 1998, prohibiting the use of chemicals considered as harmful or toxic. The policy not only covers strictest local requirements, but also includes best practice standards as recommended by consumer organisations. We expect our business partners to take a proactive stance in improving the environmental impact of the materials they supply. Improving the environmental impact means to ensure that materials and components supplied are non-toxic in use and disposal and using them in manufacturing products does not involve toxic releases or damage to ecosystems. The policy is regularly reviewed and updated in consultation with non-governmental organisations like Greenpeace. Adherence to this policy by material suppliers is strictly checked by external auditing institutes.

Please see the restricted substances list on our website:

www.adidas-group.com/en/sustainability/assets/Guidelines/A01_Sept_2011.pdf

- Comprehensive and detailed standards for suppliers on handling, storage and disposal of chemicals are part of the adidas Group's Health & Safety Guidelines, Environmental Guidelines and the Guide to Best Environmental Practice. These guidelines specify standards for wastewater treatment and effluents. The guidelines are the basis for factory inspections and assessments conducted by our Social & Environmental Affairs Team and also external auditors.

Please see our Guidelines on the corporate website:

www.adidas-group.com/en/sustainability/suppliers_and_workers/supporting_guidelines/default.aspx

- With the launch of the adidas Group Environmental Strategy 2015, a detailed Environmental Sourcing Strategy was rolled out at the end of 2009. The sourcing strategy is built on in-depth risk assessments of suppliers at different tiers in our supply chain and the use of tailored tools for factory assessments and performance rating. In 2010, nearly 100 environmental audits were conducted in our supply chain. Mills and dye houses are one of the primary targets for these environmental audits.

Read more about the Environmental Sourcing Strategy:

www.adidas-group.com/en/SER2010/environment/sourcing-and-manufacturing/Default.aspx

- The adidas Group strongly promotes and supports collaborative actions within the sportswear and apparel industry to gain greater leverage in improving the environmental impacts of factory operations. This is shown through our active membership within key industry groups like, for example, the Sustainable Apparel Coalition, the BLC Leather Working Group, the AFIRM Working Group on restricted substances, the Chemicals Working Group of the Outdoor Industry Association (OIA) and in the Global Social Compliance Program (GSCP).

Read more about these organisations on their websites:

www.apparelcoalition.org

<http://www.leatherworkinggroup.com/>

<http://www.afirm-group.com/>

<http://www.outdoorindustry.org/>

<http://www.gscpnet.com/>

- The adidas Group is a founding member of the Better Cotton Initiative (BCI) that aims at making global cotton production sustainable. The adidas Group has committed to using 100% sustainable cotton in all its brands by 2018. The Better Cotton Initiative addresses

adverse environmental and social impacts of mainstream cotton farming such as excessive use of pesticides and water use. The adidas Group contributes to the Better Cotton Fast Track Fund that financially supports farmer education, which is needed to increase the supply of 'Better Cotton' in future.

Read more about the Better Cotton Initiative:

www.bettercotton.org

Read more about our involvement in the Better Cotton Initiative:

www.adidas-group.com/en/SER2010/environment/product-creation/development/better-cotton/Default.aspx

Specific Actions related to the Joint Roadmap

Below we list actions that are related to the adidas Group application and implementation of the Joint Roadmap (with references to the Joint Roadmap included).

adidas Group Commitment (1.1.)

As stated in previous public statements, the adidas Group is committed to the goal of zero discharge of hazardous chemicals by 2020. Our commitment to this goal is clarified through our unconditional support of the Joint Roadmap launched in November 2011.

Targeting the Release of Hazardous Chemicals (3)

The adidas Group will conduct an internal survey to understand the requirements, needs and constraints from different business units regarding the use of Perfluorinated Chemicals (PFCs).

Comprehensive List of Chemicals (4.4.)

The adidas Group will develop its own list of chemicals used in the apparel/footwear manufacturing which will be contributed to the overall group effort in the development of a comprehensive list of chemicals used in the industry.

Audit Protocols (5.2)

The adidas Group will contribute to the development of a joint generic audit approach, a shared dye house and printer audit protocol and a programme to incentivise suppliers to fulfil dye house and printer audit protocols, with all our existing comprehensive in-house environmental risk screening and audit tools.

Training (5.4)

The adidas Group will complement internal meetings, supplier meetings and regular factory site visits and audits with internally managed trainings.

Disclosure and Communication (6)

The adidas Group will engage with its suppliers to further understand their needs for confidentiality and clarity when it comes to disclosure.

Through regular and effective internal communication we will ensure that the adidas Group business entities and project management fully understand the scope, content and the complexity of this roadmap.

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