

## Summary of Human Rights<sup>1</sup> Complaints Handled by adidas in 2021

Complainant <sup>2</sup>	Related Facility or Entity	Complaint	Outcome	Status (Date case opened/closed)
Mr. Abdullah Ibhais	FIFA and the Supreme Committee for Delivery & Legacy of the Qatar World Cup (the 'SC')	<p>The complainant wrote to adidas on 19 September 2021 alleging that the SC had acted unfairly in dismissing him for bribery and that this was an act of retaliation, due to questions he had raised over the handling of communications about a strike at a construction site, several months earlier.</p> <p>He also alleged that he had been wrongfully charged and convicted for bribery, that the conviction relied on a coerced confession, and that his trial was unfair. He had appealed his conviction but had no confidence that the Appeal Court would find in his favour.</p> <p>He asked that adidas, as a FIFA sponsor, intervene on his behalf.</p>	<p>We explained to Mr Ibhais that adidas holds no business relationship with the Supreme Committee and he accepted our recommendation that he submit his complaint directly to FIFA, through their BKMS system, a platform available for anyone who believes their rights have been infringed on in relation to work associated with FIFA.</p> <p>He lodged his complaint with FIFA on 21 September 2021. Once submitted, adidas raised with FIFA the need to urgently address the allegations made by the complainant.</p> <p>As part of Mr. Ibhais' complaint called into question the integrity of Qatar's judicial system, we also shared with him the contact details of Qatar's National Human Rights Committee (NHRC). We explained that the NHRC runs an independent complaint process and has the necessary powers to investigate such allegations. FIFA has not published the findings of its own investigations. However, in response to media</p>	<p>Opened:19.09.2021 Not formally accepted. This was transferred to FIFA's complaint mechanism. Ongoing monitoring.</p>

<sup>1</sup> adidas' human rights complaint mechanism captures complaints from third parties related to human and labor rights concerns and environmental harm. In 2021 no Third Party Complaint was received on environmental issues. Complaints may arrive through different channels, by letter or email or a verbal report to our in-country staff. These cases are then registered into the complaint mechanism and are added to our external reporting.

<sup>2</sup> Complainants are only named where their cases have already been disclosed (usually by international advocacy or labor rights groups, trade unions, the media or by the complainant themselves). For confidentiality reasons we do not disclose the names of individual workers. For third party complaints managed by the Fair Labor Association, please go to: <http://www.fairlabor.org/transparency/safeguards>

			<p>enquiries it has stated publicly that: “Any person deserves a trial that is fair, where due process is observed and respected.”</p> <p>On 15 December 2021 the Qatari Appeals Court upheld his earlier conviction, although with a reduced 3-year sentence. Mr Ibhais has lodged an appeal to the Court of Cassation, which is the apex body in the Qatari judicial system. A decision is pending.</p> <p>Several international NGOs – FairSquare and Human Rights Watch - continue to track this case and have engaged with FIFA and its sponsors, including adidas.</p>	
<p><b>Asian Floor Wage Alliance (AFWA) – an international labor advocacy group, on behalf of National Workers' Union (Serikat Pekerja Nasional – SPN) – a national trade union in Indonesia</b></p>	<p>PT Glostar Indonesia 1 (PGD) - adidas footwear supplier in Indonesia</p>	<p>AFWA wrote to adidas about concerns raised by SPN – one of the unions in PGD factory, on the following issues:</p> <ul style="list-style-type: none"> <li>i. Asking PGD to prioritize for rehire former workers who were laid-off in 2020 as factory downsize its operation due to the COVID-19 impact on the business.</li> <li>ii. Enforcement of COVID-19 health protocols at the factory such as: insufficient number of masks given to workers and questioning why trade union leaders must show rapid-test results after attending off-site activities.</li> </ul>	<p>We engaged with PGD, and they committed to:</p> <ul style="list-style-type: none"> <li>i. Prioritize the redundant workers for any new openings in the future.</li> <li>ii. Increase the supply of masks and hand sanitizer in all buildings.</li> <li>iii. Ensure that rapid tests are applied consistently for all employees who return to work after attending outside events or activities, not only union leaders.</li> </ul> <p>We shared PGD’s response and remedial actions with AFWA and SPN. Having received no further queries or concerns, we considered the case closed.</p>	<p>Opened: 10.02.2021 Closed: 17.10.2021</p>

<p><b>Asian Floor Wage Alliance (AFWA) – an international labor advocacy group; on behalf of PERBUPAS – a national trade union in Indonesia</b></p>	<p>PT Panarub Industry (PRB) - adidas footwear supplier in Indonesia</p>	<p>AFWA shared a complaint, brought to it by PERBUPAS, one of the trade unions active in PRB. The complaint comprised two issues:</p> <ul style="list-style-type: none"> <li>i. The wage payment scheme for the furlough period during the COVID-19 pandemic had not been endorsed by all unions</li> <li>ii. When PERBUPAS launched a petition (in June 2020) to get worker feedback about wage payment for the furlough period, they faced intimidation by other unions</li> </ul>	<p>We followed up the complaint with PRB and concluded the following from our investigation:</p> <ul style="list-style-type: none"> <li>i. During the pandemic, the Indonesian government issued a new regulation allowing enterprises to negotiate wages for any planned furlough period with their trade unions. PRB showed records that they obtained signed agreements from the 3 largest trade unions in the factory (i.e., SPSI, SPN and SBGTS) but admitted that they only communicated the wage payment scheme to PERBUPAS, as a minority union. PRB claimed they did not breach the law, as they followed the approach used in the Collective Bargaining Agreement process, by negotiating with those unions whose membership comprises greater than 10% of the workforce. As a corrective action, we asked PRB to meet with PERBUPAS and explain the basis for their actions.</li> <li>ii. We asked PRB to conduct interviews with managers, supervisors and production floor workers from various departments, to see if they had witnessed intimidation by other trade unions directed at PERBUPAS members and officials. PRB shared that they identified no evidence to support the alleged intimidation.</li> </ul> <p>We communicated our findings from our investigation and our recommended follow-up action to AFWA and PERBUPAS on October 15, 2021, and they raised no further concerns. The case was considered closed.</p>	<p>Opened: 10.02.2021 Closed: 15.10.2021</p>
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<p><b>Cambodian Labor Confederation (CLC)- a Union Federation in Cambodia</b></p>	<p>Elite Co. Ltd. (Elite) - an adidas apparel supplier in Cambodia</p>	<p>On April 8, 2021, CLC wrote to adidas, alleging that CLC-affiliated union leaders in Elite had been wrongfully dismissed and that a CLC union leader had also been subject to intimidation, because the factory had lodged a police report against her for theft.</p>	<p>Due to a COVID-19 lockdown we were unable to immediately launch an on-the-ground investigation and therefore opted to gather information remotely, through a series of engagements with the CLC’s regional leaders, Elite’s factory management team and by reaching out to the Ministry of Labor office.</p> <p>We shared the findings from our investigation with CLC on July 9, 2021, and concluded that:</p> <ul style="list-style-type: none"> <li>i. The layoff of CLC union leaders was part of the factory’s downsizing that took place in several phases from April to September 2020. Elite shared with us the affirmation from the Labor Department, confirming that the layoff was lawful.</li> <li>ii. Given the above, we concluded that to properly settle this dispute there needs to be formal legal determination made by a competent authority and urged both parties to bring this case to the Ministry of Labor directly and request the dispute to be handled by the Arbitration Council.</li> </ul> <p>Although submitting a complaint to the police for a suspected case of theft is entirely lawful, and within a factory’s prerogative, our guidance to suppliers is that they should always follow an internal disciplinary procedure first in such cases, which they had failed to do. Based on our engagement with Elite, they have agreed to withdraw their report against the union official and submitted a request to withdraw the case to the police in May 2021, and then again in November 2021 through a letter to the Court, who dismissed the case.</p>	<p>Opened: 08.04.2021/ Ongoing</p>
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			We have yet to receive a further response from CLC, regarding our recommendation to take the redundancy case to the Arbitration Council.	
<b>Center for Alliance of Labor and Human Rights (CENTRAL) – a local Labor Advocacy Group in Cambodia</b>	Can Sports Shoes Co., Ltd – an adidas footwear supplier in Cambodia	CENTRAL contacted adidas on December 20, 2020, alleging that 3 union leaders of an independent trade union in the Can Sports factory had been wrongfully dismissed and demanded their reinstatement.	<p>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 social media “inappropriate photos” from a minimum wage protest.</p> <p>We found no compelling evidence of any actions that would be considered “serious misconduct”. We therefore asked Can Sports to reinstate the 3 workers, with backpay for the period of their suspension (from December 2021 to January 2022). They agreed and the 3 workers were reinstated, with pay.</p> <p>adidas informed CENTRAL of the successful resolution of the case. As there were no further concerns or questions, the case closed.</p>	Opened: 20.12.2021 Closed: 03.01.2022
<b>CTUM (Confederation of Trade Unions Myanmar) and IFWM (Industrial Workers' Federation of Myanmar)</b>	Myanmar Pouchen Co., Ltd (PMA) – an adidas footwear supplier in Myanmar	<p>The CTUM Treasurer and President of IFWM, wrote to adidas on January 13, 2022, reporting the case of a PMA employee who had been involved in a workplace accident in September 2021 but had not received the full benefits and reimbursement of their medical expenses.</p> <p>CTUM requested adidas to investigate the case and for PMA</p>	<p>We shared the details of the complaint with PMA and launched an investigation to verify the allegations, which included an interview with the injured employee and engaging officials from the Social Security Board (SSB).</p> <p>Having verified the records and facts of the case, we asked PMA to take the appropriate steps to ensure the injured employee received their legally mandated benefits, as per local law. Accordingly, PMA has agreed to take the following remedial actions:</p>	Opened: 13.01.2022 On-going

		<p>to immediately take following actions:</p> <ul style="list-style-type: none"> <li>i. Pay, in advance, the worker's temporary injury benefits (70% of salary) for every month, starting from September until the worker returns to work.</li> <li>ii. Pay the balance of the worker's medical expenses, which are not fully covered by Social Insurance.</li> <li>iii. Help the worker secure proper treatment and support them in applying for a permanent partial disability benefit</li> </ul>	<ul style="list-style-type: none"> <li>i. Immediately provide the employee with the outstanding temporary disability benefit (70% of salary) payment from Nov 2021- Jan 2022</li> <li>ii. Fully paid the balance of medical expense (MMK 539500) to the employee.</li> <li>iii. starting from February 2022 onward, PMA agrees to pay in advance the temporary disability benefit to worker according to the period of medical certificate.</li> <li>iv. PMA will support the employee to apply for the permanent disability benefit when requested.</li> </ul> <p>We will re-confirm to PMA about the exact dates for the temporary disability payment and then will inform CTUM when the information is available.</p>	
<b>DPP KIKES KSBSI KIKES (KSBI) – a National Trade Union in Indonesia</b>	PT Parkland World Indonesia (PWI) – adidas footwear supplier in Indonesia	<p>On March 16, 2021, adidas received a letter from KSBI who alleged various labor rights violations with respect to PWI's canteen outsourcing staff:</p> <ul style="list-style-type: none"> <li>i. Unlawful termination of 8 staff</li> <li>ii. No salary was given during furlough period from September 2020 – March 2021</li> <li>iii. No overtime wages and annual leave was given to workers</li> <li>iv. No maternity leave was given to 4 workers.</li> </ul>	<p>We reached out to PMI to verify these allegations. Apart from overtime pay (which is generally not a legal entitlement as canteen staff only work regular hours) all other violations were confirmed.</p> <p>PWI engaged the catering service provider to remedy all the identified violations. The remediation action was duly completed in June 2021 and results reported to KSBSI.</p> <p>As no further concerns were raised the case was considered closed.</p>	<p>Opened: 16.03.2021 Closed: 11.06.2021</p>

<p><b>Deri-Teks (a local trade union in Turkey and a member of IndustriALL)</b></p>	<p>ETF Tekstil – Turkey – a former adidas apparel supplier (not an active adidas supplier since January 2021 – contract terminated with mutual agreement)</p>	<p>In September 2020, DeriTeks informed adidas that ETF Textile had not paid bonuses in June 2020 and had not increased wages in July 2020 as per the CBA signed between the union (DeriTeks) and ETF.</p> <p>The terms and conditions of a signed CBA are counted as legal rights under Turkish Labor Law. These can only be changed if there is consent between the union and the employer. DeriTeks also lodged an official complaint with the FLA and asked for the support of the FLA and adidas.</p>	<p>We raised the allegation with ETF who confirmed that due to financial issues they were not able to pay the bonuses or increase workers’ wages as per the CBA. We recommended that ETF meet again with the union and discuss available options and reach an agreement over the timing of payments.</p> <p>In October, ETF and DeriTeks met to review the options available. The factory proposed an increase in wages in December 2020 but with further delays in the bonus payout. The union agreed with this plan, emphasizing that they wanted a clear answer about bonuses by January 2021 at the latest.</p> <p>Though there was a temporary agreement between the union and ETF, adidas issued an official warning letter to ETF, as the June bonuses had not been paid on time and there had been no commitment to do so. The deadline for all payments was the end of January 2021.</p> <p>In July 2021, Deri-Teks called adidas to confirm that the missing amounts have been paid to all workers and that the issue was now closed.</p>	<p>Opened: 16.9.2020 Closed: 01.07.2021</p>
<p><b>Garment Labour Union India (GLUI) and the Centre of Indian Trade Unions (CITU) – both trade union federations in India</b></p>	<p>Jeans Knit Private Limited (Flat Knits Sweater Unit) (FFI), India – an adidas apparel supplier in India</p>	<p>In January 2020, the Garment Labour Union along with the CITU union submitted a third-party complaint to the Fair Labor Association (FLA) raising several alleged labor rights violations, such as a lack of salary increments, working on rest days, unlawful dismissal, and a Freedom of Association violation.</p>	<p>As per the FLA’s 3<sup>rd</sup> Party Complaint protocols, adidas immediately launched an unannounced investigation and shared with them a summary of our initial findings. Unfortunately, workers who are associated with the two trade unions (the complainants) could not be contacted, as they have left the factory.</p> <p>Because of a long-planned business decision, adidas stopped working with this supplier from</p>	<p>Opened: 02.01.2020 Closed: 01.01.2021</p>

			<p>15<sup>th</sup> October 2020. Despite this, we continued to collaborate with Jean Knit's other buyers - VF and G-star - on the FLA complaint process and supported the appointment of a third-party auditor to investigate and verify the allegations. The independent investigation report was finalized and in consultation with FLA shared with the factory. The remediation process has now reverted to the brands who continue to source from the factory.</p> <p>With FLA's agreement, adidas was excluded from further involvement in the third-party complaint, and the case registered under our complaint mechanism was considered closed.</p>	
<b>KD Raja – a local law firm in Indonesia</b>	PT Parkland World Indonesia (PWI) – adidas footwear supplier in Indonesia	In January 2021 the law firm sent a letter to adidas alleging unlawful dismissal of its clients - 5 former employees of PWI. The 5 employees claimed that the factory's Director had wrongfully accused them of stealing materials without any evidence and verbally harassed them by calling them "thieves" in front of other workers.	<p>We followed up with PWI and asked for evidence of the alleged theft by the 5 employees. PWI admitted that the employees were wrongfully dismissed by the factory's Director, who had not followed the proper investigative procedure.</p> <p>To remedy the situation, we asked PWI to immediately reinstate the employees on the grounds of unfair dismissal. On March 12, 2021 two employees agreed to be reinstated, but the other 3 declined and chose instead to file a defamation lawsuit against the factory management and demand financial compensation, over and above the severance they had at the time of their dismissal.</p> <p>PWI sent an apology letter to all 5 employees, and, during a meeting facilitated by the employees' lawyer, offered reinstatement. Three of the employees refused and reiterated their demand</p>	<p>Opened: 06.01 2021 Closed: 16.03.2021</p>

			<p>for additional financial compensation. The factory refused to meet their demand.</p> <p>We informed the law firm that adidas had fulfilled its responsibility in identifying the wrongful dismissal and calling for the reinstatement of the dismissed workers, as an appropriate remedy, but we could not take an active role in the defamation lawsuit. We recommended this matter for the employees and the PWI to settle in Court. The law firm accepted this position, and the case was closed.</p>	
<b>LSM Gerak – a local NGO in Indonesia</b>	PT Parkland World Indonesia Rangkas (PWI 6) - adidas footwear supplier' factory in Indonesia.	adidas received a letter from LSM Gerak on February 5, 2021 detailing concerns about recruitment fees paid by workers at the PWI 6 factory. The NGO alleged that applicants were required to pay up to USD 175 to secure a job at the factory.	<p>We shared the details of the allegation with PWI 6 and informed them that we would launch an investigation. The factory disclosed to us that they had received a similar allegation from another source and had already initiated an internal investigation.</p> <p>Based on the evidence collected by PWI6, which included feedback from employee testimonies, it was determined that an HR staff member had solicited fees from job applicants. This was deemed a serious breach of the company's regulations and the HR staff member was terminated.</p> <p>The NGO was informed of the actions taken by the factory and the case was closed.</p>	<p>Opened: 05.02.2021 Closed: 06.02.2021</p>

<p><b>Nazma Akter, President of Sommito Garments Sramik Federation-SGSF (a Bangladesh based union) and an FLA CSO Caucus Board member</b></p>	<p>Classic Fashion Apparel Industry Ltd. Co. - Unit 02 (Jordan) – an adidas apparel supplier</p>	<p>In December 2020, Nazma Akter sent a message to FLA brands sourcing from Classic Fashion (Jordan) alleging that Bangladeshi workers were not being treated fairly and were subject to harassment, abuse and discrimination by the employer and the managers.</p> <p>It was also alleged that workers with expired contracts were not able to leave Jordan, that Bangladeshi workers were paid less than other nationalities, and that they were subject to physical and verbal harassment and a lack of freedom of expression and movement.</p> <p>Ms. Akter asked all brands to take necessary action to identify the root causes and remedy the issues. SGSF has no legal presence or members in Jordan, the request was made under the auspices of Ms. Akhter’s role on the FLA CSO Caucus Board.</p>	<p>Many of the claims raised by SGSF were aligned with adidas’ own audit findings, workers’ feedback and feedback received from ILO-Better Work Jordan (BWJ) and other brands. It was agreed that BWJ and the brands sourcing from Classic Fashion would collaborate in scheduling a follow-up investigation and joint call on the CF management team to ensure that immediate action was taken to address the allegations in a fair and compliant way.</p> <p>Classic Fashion responded by increasing wages and by holding meetings with representatives of different nationalities of migrant workers to clarify the needs and take necessary action. In addition, BWJ conducted an audit in all Classic Fashion’ facilities during the second week of January 2021, which enabled all brands to work together on a joint CAP (Corrective Action Plan).</p> <p>In October 2021, the brands sourcing from Classic Fashion provided SGSF with a status update; with the only open issue being planned training, which was ongoing due to the high number of workers involved. Together with other brands and the FLA, adidas committed to provide SGSF with periodic updates, and ensure the remaining remedial action was taken in a timely and sustainable manner.</p>	<p>Opened: 10.12.2020/ Ongoing</p>
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<p><b>SITRASACOSI (Sindicato de Trabajadoras y Trabajadores Sastres, Costureras y Similares) - local trade union federation; Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>Servicios San Julian, S.A de C.V; El Salvador</p>	<p>The local trade union federation reported the following allegations to adidas:</p> <ul style="list-style-type: none"> <li>i. Unfair dismissal of various affiliates of a sectional union in formation in August 2019.</li> <li>ii. Unfair dismissal of one worker after speaking to a union leader in Jan 2020.</li> <li>iii. Continuous anti-union activities and harassment by factory management against a union board member. adidas became active in this factory in late 2019.</li> </ul>	<p>adidas commissioned an external third-party independent investigation. The investigation’s terms of reference included the evaluation of other possible relevant country risks that could contribute to the restriction to workers’ rights to organize and collectively bargain.</p> <p>After the investigation, a comprehensive remediation plan was created by adidas in consultation with the complainants and factory management.</p> <p>The remediation plan included the following points:</p> <ul style="list-style-type: none"> <li>i. The hiring of an external and credible Freedom of Association (FoA) expert (Ena Nunez) to act as an ombudsperson.</li> <li>ii. The rehiring of a former factory worker who was terminated shortly after becoming a union member; though no direct discrimination was proven by the investigation, as the decision and procedures used during termination were proven to be subjective.</li> <li>iii. Enhancement to the FoA policy with the guidance of an external expert.</li> <li>iv. The review and update of internal procedures regarding discrimination, dismissal, and performance evaluation.</li> <li>v. Workers and manager training on updated policies and procedures.</li> <li>vi. The establishment of communication channels with the factory sectional union and its federation, including monthly roundtable meetings.</li> </ul>	<p>Opened: 10.10.2020 Closed: 05.20.2021</p>
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			<p>A follow up on-site visit was performed by SEA on 26 November 2021 to review progress and to meet with the union representatives. SEA received confirmation from the union representatives on the progress of the factory management related to the FoA issues, including the recognition of union presence, and eliminating any discriminatory practices.</p> <p>Later, the WRC expressed interest in the case and contacted the adidas' SEA team about its status. SEA shared with WRC the results of the investigation and remediation progress. Based on confirmation from the union and no further comments from WRC, SEA considered the case closed.</p>	
<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>Trax Apparel Co., Ltd (Trax) – an adidas apparel supplier in Cambodia</p>	<p>On October 31, 2021, WRC shared the preliminary findings on the alleged violation of freedom of association by Trax which happened during and after workforce downsizing due to the business impacts of COVID-19 in June 2020.</p> <p>Set out below is the summary of the allegation:</p> <ul style="list-style-type: none"> <li>i. Retaliatory termination and discriminatory practice directed at 7 union leaders.</li> <li>ii. Violation of right of Collective Bargaining and responsibility to act in good faith.</li> <li>iii. Unlawful rescission of worker's seniority right.</li> </ul>	<p>We launched an extensive investigation into the case, which was essentially a labor dispute between the former CATU Union leaders and Trax over the company's decision to not extend their Fixed Duration Contracts (FDCs).</p> <p>On November 29, 2021, we sent a formal reply to WRC detailing our findings and conclusion as follows:</p> <ul style="list-style-type: none"> <li>i. We found no evidence that Trax had breached its agreement when it did not offer to renew contracts to the FDC workers, including the CATU leaders, who had opted for the 2-month suspension. It was clearly stated, as a condition of the agreement, that workers would only be rehired if Trax had sufficient orders to make this viable.</li> <li>ii. We found no evidence that Trax had acted in a discriminatory manner towards the union leaders by not offering a rehiring</li> </ul>	<p>Opened: 31.10.2021/ Ongoing</p>

		<p>In the letter WRC then stated its demand on the remedial action that Trax must reinstate with full back pay and seniority all seven union leaders and activists.</p>	<p>opportunity. Trax rehired based on an objective measure of work performance, and a larger rehiring did not take place until the order situation began to recover in September 2020.</p> <p>WRC did not accept our findings and re-stated that they believed the actions by the factory to be discriminatory, the dismissals unlawful and in breach of adidas' U.S. collegiate licensing agreements.</p> <p>Given the lack of resolution between the workers and Trax, we proposed mediation, facilitated by an independent arbitrator, which was duly agreed to by both parties. The mediator made substantial progress but did not entirely resolve the case, due to a disagreement about the need to conduct a skills test before the union leaders could be re-hired by Trax.</p> <p>To maintain positive momentum, we turned to CENTRAL, a local labor advisory group who represent CATU since the beginning of the dispute in late 2020, to help both parties to continue their negotiations. In mid-February 2022, CENTRAL informed us that both parties have in principle reached agreement to resolve the long-standing dispute, which would see the re-hiring of those CATU union leaders who wished to return to work at Trax.</p> <p>A final written agreement is still pending.</p>	
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<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>Din Han Enterprise Co., Ltd. (Din Han) - an adidas apparel supplier in Cambodia</p>	<p>In May 2021, WRC contacted adidas raising concerns over the timeliness of wage payments for workers at Din Han, during the government-mandated COVID-19 lockdown.</p> <p>WRC also expressed concern over the implementation of adequate safety measures, once the factory resumed its operation.</p>	<p>We immediately followed up with Din Han to understand how and when they would pay the workers during the lockdown. Din Han explained that they had acted quickly to set up an electronic payment system, as their past practice of cash withdrawals and direct on-site payment was not possible during lockdown.</p> <p>Before the resumption of the factory’s operations, Din Han ensured that the proper health protocols and safety measures were in place to mitigate any risk of further outbreak. We reviewed and verified their safety plans.</p> <p>We communicated the factory’s actions to WRC. Having received no further inquiries from them we considered the complaint to be closed.</p>	<p>Opened: 06.05.2021 Closed: 11.06.2021</p>
<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>Hulu Garment Co. Ltd, Phnom Penh, Cambodia (a licensee supplier)</p>	<p>WRC contacted SEA in December 2020 regarding their investigation into allegations of unpaid severance violations at Hulu Garment beginning in March 2020.</p>	<p>In January 2021, SEA responded to the WRC with the following account based on our engagement with the supplier:</p> <ul style="list-style-type: none"> <li>i. The supplier had partially suspended its operations starting from March 11, 2020. This suspension was made in agreement with local officials and the factory’s union.</li> <li>ii. Due to the reduced wages, 149 workers resigned from their positions with the factory in March 2020, which was followed by an additional 458 workers resigning in April 2020.</li> <li>iii. In May 2020, 224 of these workers who resigned sought compensation from the local Arbitration Council.</li> <li>iv. In June 2020, the Arbitration Council ruled against the workers’ request for additional compensation from the factory.</li> </ul>	<p>Opened: 18.12.2020 Closed: 02.06.2021</p>

			<p>We also confirmed that our licensee had not cancelled their orders with the factory and had paid for their orders in full before their business relationship ended with Hulu Garment Co. in August 2020.</p> <p>adidas sought the Fair Labor Association’s (FLA) review and validation of the case. FLA, after reviewing all the communication and background documentation, confirmed in June 2021 that adidas had fulfilled its obligations.</p> <p>As a result of FLA’s validation and with no further issues being raised by WRC, we treated the case as closed as of June 2021.</p>	
<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>Carnival Clothing Company – a factory under Gokaldas Export which is an adidas apparel supplier in India</p>	<p>WRC contacted adidas on September 3, 2021, requesting our immediate intervention to address the underpayment of a variable dearness allowance (VDA), a key component of the minimum wages. The underpayment began in April 2020.</p>	<p>This case was one among many in Karnataka triggered by a legal suit filed by the local textile industry against the State government’s decision to increase VDA during the pandemic.</p> <p>adidas provided a response to the WRC, detailing the actions we had taken earlier in the year:</p> <ol style="list-style-type: none"> <li>i. We issued a formal memorandum in April 2021 to our supplier, asking them to implement the correct VDA from April 2021 and provide workers with an arrears payment from April 2020 or face enforcement action.</li> <li>ii. We actively engaged with other foreign buyers to press the shared supplier to implement the correct VDA and, in parallel, sought advice from the State’s Labor Commissioner.</li> </ol> <p>Initially the supplier declined our request, citing that the matter was before the High Court. But</p>	<p>Opened: 03.09.2021/ Ongoing</p>

			<p>through persistent engagement, in early February 2022 Gokaldas made a written commitment to adidas that they would immediately implement the correct VDA and pay the arrears from April 2020-March 2022 in a phased manner until July 2022.</p> <p>Together with the other buyers, we plan to verify the arrears payment made by the supplier and cross-check this with the workers. WRC has been kept fully informed of the status of the case and all actions being taken to bring it to a successful resolution.</p>	
<p><b>Worker Rights Consortium (WRC) – a US labour advocacy group. Representing 3 independent Trade Unions in the factory (SBSI, SPN &amp; FSB)</b></p>	<p>PT Dong A Decal, a subcontractor factory for an adidas apparel supplier in Indonesia – PT. Greentex Indonesia Utama II ('PT Greentex')</p>	<p>On October 4, 2021, WRC contacted adidas about a pending wage settlement for workers at PT Dong A Decal, linked to an agreement reached between the factory and the plant level trade union on a work suspension from May to June 2020.</p> <p>The agreement required the factory to pay 30% of the monthly wage to the workers, but without a clear timeline. Since many months had passed, WRC sent a letter to factory to remind them of the pending wage settlement but received no response. WRC then sent letters to several brands, including adidas, and asked for their intervention. The letter was logged into adidas 3<sup>rd</sup> party complaint system.</p>	<p>At the time WRC wrote to adidas, PT Greentex had already ended its sub-contractor relationship with PT Dong A Decal. Despite this, we asked PT Greentex to follow up with its former sub-contractor and enquire as to the status of the wage payment.</p> <p>Dong A Decal informed PT Greentex that they would complete the pending payment to the workers.</p> <p>We subsequently received a report that Dong A Decal had settled the remaining wage payment on December 30, 2021.</p> <p>With payment having been completed, the case was considered closed.</p>	<p>Opened: 04.10.2021 Closed: 30.12.2021</p>

<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group</b></p>	<p>PT Eagle Glove, Indonesia</p>	<p>SEA was contacted by the WRC in December 2020 regarding the alleged dismissal of 100 workers in May 2020 without proper payment of severance.</p>	<p>After being contacted by the WRC, SEA took the following actions:</p> <ul style="list-style-type: none"> <li>i. We met with PT Eagle management who confirmed that 28 workers were terminated and denied the dismissal of 100 workers.</li> <li>ii. We reviewed the termination documentation and determined that the factory had not paid the correct severance benefits to the 28 workers and requested that the factory do so.</li> <li>iii. The factory paid out the correct severance benefits to all 28 workers in March 2021, which we confirmed.</li> </ul> <p>SEA informed the WRC of these actions and the resulting remediation and having received no further queries we treated the case as closed.</p>	<p>Opened: 18.12.2020 Closed: 18.3.2021</p>
<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group. Representing NACTWU, a Lesotho trade union</b></p>	<p>High Life – Lesotho Precious Garments (Pty) Ltd. A licensee apparel supplier.</p>	<p>The WRC contacted adidas on 21 August 2021 to share their preliminary findings on alleged freedom of association violations at Lesotho Precious Garments. It was alleged that the factory management refused to recognize the National Clothing Textile and Allied Workers Union (NACTWU). It added that factory management had denied union leaders access to meet with members, represent workers during disciplinary hearings, and serve on the Industrial Relations Council in violation of Lesotho law.</p>	<p>Our licensee followed up on the allegations raised by the WRC and the supplier agreed to immediately re-engage with representatives of NACTWU.</p> <p>On 17 September 2021 the factory management and NACTWU jointly signed a memorandum of understanding governing their future engagement.</p> <p>A licensee commissioned a follow-up assessment, which was conducted in October 2021. The assessment verified that the terms of the agreement were being implemented by all parties. As a result of this verification and a lack of further queries from WRC, the case was considered closed on 27 September 2021.</p>	<p>Opened: 21.08.2021 Closed: 27.09.2021</p>

<p><b>Worker Rights Consortium (WRC) – a US labor advocacy group. Representing UNITE, a Lesotho trade union</b></p>	<p>High Life – Lesotho Precious Garments (Pty) Ltd. A licensee’ apparel supplier.</p>	<p>WRC contacted adidas on 22 October 2020 to share their preliminary findings on alleged freedom of association violations at Lesotho Precious Garments.</p> <p>It was alleged that the factory management had retaliated against two workers at the facility who are shop stewards representing the union, United Textile Employees (UNITE) because other members of their union had informed adidas’ auditors of other labor rights violations by this supplier.</p> <p>The retaliation was alleged to have taken the form of demotions for the two affected workers, from their positions with the HR department, to their previous roles on the shop floor. It was alleged that the justification given by management for these demotions were the worker’s lack of necessary computer skills to continue performing their role.</p>	<p>The Licensee followed up on the allegations raised by the WRC and the supplier agreed to:</p> <ol style="list-style-type: none"> <li>i. Reinstatement of the workers to their original HR positions; Compensate them for any lost benefits.</li> <li>ii. Provide the reinstated workers with training opportunities; Revise the job requirements for the role, to reflect the transition to computer-based HR systems.</li> <li>iii. Agree to a timeline for the workers to acquire the necessary computer skills, and should they be unable to meet this job requirement, the terms under which they would be transferred to another role that matches their skillset.</li> </ol> <p>The supplier also agreed to avoid any future repeat of such cases or instances of a similar nature, including the strengthening of the documentation process around the reassignment of workers to other roles/departments differing from those under their contractual terms and communication channels with the unions onsite and of grievance mechanisms that ensure such cases can be better managed internally.</p> <p>Our licensee’ commissioned follow-up assessments, which were conducted in April &amp; October 2021. These verified that these actions had been completed. As a result of these verifications and a lack of further inquiries from WRC or the local union, the case was considered closed in November 2021.</p>	<p>Opened: 22.10.2020 Closed: 18.10.2021</p>
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<p><b>Action Labor Rights (ALR) – a local labor advocacy group in Myanmar and FEMNET – a Germany based labor advocacy group</b></p>	<p>Myanmar Pouchen Co., Ltd (PMA) – an adidas footwear supplier in Myanmar</p>	<p>On February 28, 2021, ALR contacted adidas and raised the allegation that PMA failed to recognize a newly formed Union in the factory. ALR claimed that the factory management ignored the notification and request letter from the new union.</p> <p>Later in mid-April 2022, ALR shared new allegations about:</p> <ul style="list-style-type: none"> <li>i. Unlawful dismissal of 2 employees who joined the Civil Disobedience Movement (CDM) protest.</li> <li>ii. Several incidents where supervisors intimidated or attempted to prevent workers from registering to the newly formed union.</li> </ul> <p>Separately FEMNET sent email to adidas on May 20, 2021, asking for explanation about the status of the allegation brought up by ALR (as stated above) and requested intervention from adidas to resolve the complaint promptly</p>	<p>Following the military coup in the country, PMA – like many other factories in Myanmar, experienced significant disruption to their operations and logistics that caused a series of temporary factory shutdowns between March - May 2021. As a result of the shutdowns, adidas was delayed in the follow-up and investigation of the complaint raised by ALR.</p> <p>In early May 2021, we began intensive engagement with PMA and asked the factory to take prompt action to resolve each complaint raised by ALR. Set out below are the follow-up actions taken by PMA:</p> <ul style="list-style-type: none"> <li>i. PMA acknowledged the formal registration of the new union on March 3, 2021. On May 18, 2021, PMA invited the new union to the first formal meeting together with the Worker Committee. PMA is committed to holding regular meetings with the Union going forward.</li> <li>ii. Dismissal case of 2 employees: PMA was informed by the Township Labor Office (TLO) that the union had filed a complaint about the dismissal case with them. TLO held a hearing with both parties on May 11 and May 13, 2021. On May 18, the resolution had been agreed with both parties, where PMA paid the full severance and notice fees to the dismissed workers who also accepted the decision.</li> </ul> <p>As a preventive measure, adidas asked PMA to strengthen their worker’s leave handling and</p>	<p>Opened: 28.02.2021 Closed: 01.06.2021</p>
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<b>Worker Rights Consortium (WRC) - a US labor advocacy group</b>	Myanmar Pouchen Co., Ltd (PMA) – an adidas footwear supplier in Myanmar	<p>In November 2021, the WRC informed adidas of the arrest of a former employee of PMA. The arrest took place on October 17, 2021. It was based on a police complaint (alleging theft of production materials) filed more than 2 years earlier, in October 2019.</p> <p>WRC shared that the arrested former employee, along with four other former workers who were</p>	<p>Upon receiving the complaint from the WRC, adidas asked PMA to appeal to the Court to withdraw or dismiss the case against their former employee, on the grounds that the case had been settled through the Arbitration Council.</p> <p>PMA said this arrest was unexpected, as it has been more than 15 months since the police complaint had been filed and they had heard nothing more from the authorities. It had been more than a year since the Arbitration Council ruling (at the end of June 2020)</p>	Opened: 05.11.2021/ Ongoing

		<p>allegedly involved in the theft, had been dismissed by PMA because they were in the process of forming a union. At the time, the 5 former employees had filed complaints with the township conciliator when they sought to be rehired by PMA and their case went to arbitration. On June 30, 2020, the Arbitration Council ordered PMA to pay compensation and the case was considered settled.</p> <p>WRC asked that PMA intervene case and retract the earlier police report and provide humanitarian aid to the arrested former employee.</p>	<p>In parallel with the outreach to the Court, adidas launched an investigation to verify WRC's allegation that the workers were previously dismissed by PMA due to unionizing activities. Our investigation did not find any evidence to support this allegation, and we shared the following findings with WRC:</p> <ul style="list-style-type: none"> <li>i. PMA had solid evidence of the theft that took place on October 26, 2019, including CCTV footage and statements taken from the 7 employees who admitted to their involvement. The case was initially handled through PMA internal disciplinary procedure, which led to the resignation of 5 employees (including the arrested former employee). Two other employees were given Warning Letters.</li> <li>ii. The labor dispute began when the 5 resigned employees re-applied for work at PMA. They did so in February 2020, citing PMA company's regulation that resigned workers are allowed to re-apply 3 months after their resignation date. PMA rejected their applications due to the past disciplinary case. The 5 employees then raised a grievance to Township Conciliation Committee (CC) on February 25, 2020.</li> <li>iii. After 3 rounds of negotiation (without the parties reaching agreement) the case was referred to Arbitration Council on March 11, 2020. The Arbitration Council requested PMA to submit clear evidence</li> </ul>	
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