

Disclosure and Guidance for Measurement Themes A to D

CHRB indicator requirements and guidance (if available)

Company disclosures

Measurement Theme A - Governance and Policy Commitments

CHRB REQUIREMENT DETAILS

COMPANY SELF ASSESSMENT

INDICATOR	CHRB REQUIREMENT DETAILS	COMPANY SELF ASSESSMENT
Indicator description	<p>A.1.1 Commitment to respect human rights</p> <p>The Company publicly commits to respecting human rights across its activities. It must be clear the commitment relates to all internationally recognised human rights, rather than to only one or more selected human rights. This only considers commitments to avoid adverse human rights impacts and does not include philanthropic commitments.</p>	
Score 1 Requirement	<p><i>Note: Additional industry-specific commitments are considered in A.1.3</i></p> <p>The Company has a publicly available statement of policy committing it to respect human rights OR the ten principles of the UN Global Compact (principles 1 and 2 include a commitment to respect human rights) OR the rights under the Universal Declaration of Human Rights (UDHR) OR the International Bill of Human Rights.</p>	<p>Our human rights policy is an integral part of our Labour Rights Charter. See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>The human rights section of our webpage describes our general approach and all relevant policies and guidelines. See: https://www.adidas-group.com/en/sustainability/compliance/human-rights/</p> <p>Our responsible business practices FAQ explains how human rights is linked across our business operations and risk management systems. See: http://www.adidas-group.com/media/filer_public/9e/57/9e576abc-a9fd-400c-af1c-8157a5cbcf6/human_rights_and_responsible_business_practices_dec2014.pdf</p> <p>Related policies and guidance on human rights subject matter can be found, for instance, in our Workplace Standards, which states that: "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. adidas expects 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. For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation's International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work".</p> <p>See our supporting guidelines on employment (labour rights), worker safety and environment: https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf OR our policy on Forced Labour & Trafficking: https://www.adidas-group.com/media/filer_public/3c/14/3c145fe8-e777-4696-aa51-4ef49731fbaa/adidas_policy_on_modern_slavery__2017.pdf OR on privacy: http://www.adidas-group.com/en/service/privacy-statement/</p>
Score 2 Requirement	<p>The Company's publicly available statement of policy also commits it to: the UN Guiding Principles on Business and Human Rights OR the OECD Guidelines for Multinational Enterprises.</p>	<p>adidas' human rights policy is embedded in its Labour Rights Charter, which was developed and signed-off by the two Boards after lengthy engagement with the company's Works Council, which represents our employees interests, with our Supervisory Board (which includes the Works Council, trade union representatives and independent directors) and our Executive Board that manages the company. The content of the Charter was finalized prior to the UNGP being adopted by the UN Human Rights Council, or the revised OECD Guidelines coming into effect within human rights provisions. Our existing policy therefore makes no reference to these publications.</p> <p>However, the UNGP and the OECD Guidelines are both referenced in our Responsible Business Practices FAQ, which describes our general approach to embedding human rights across our business operations and risk management systems: http://www.adidas-group.com/media/filer_public/9e/57/9e576abc-a9fd-400c-af1c-8157a5cbcf6/human_rights_and_responsible_business_practices_dec2014.pdf and in our introduction webpage on human rights which explains due diligence processes: https://www.adidas-group.com/en/sustainability/compliance/human-rights/ and in our Third Party Grievance system where reference is made to the National Contact Point for Germany.</p>
INDICATOR	CHRB REQUIREMENT DETAILS	COMPANY SELF ASSESSMENT
Indicator description	<p>A.1.2 Commitment to respect the human rights of workers</p> <p>The Company publicly commits to respecting the principles concerning fundamental rights at work in the eight ILO core conventions as set out in the Declaration on Fundamental Principles and Rights at Work (see Table 15), together with those human rights of workers that are particularly relevant to its industry. It also has a publicly available statement of policy committing it to respect the human rights of workers in its business relationships.</p>	
Score 1 Requirement	<p>The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work OR the Company has a publicly available statement of policy committing it to respecting the ten principles of the UN Global Compact (principles 3 to 6 are based on the ILO Declaration on Fundamental Principles and Rights at Work).</p>	<p>ILO Standards are referenced in our Labour Rights Charter, which states that "Our company policies and procedures adhere to all applicable domestic laws and are consistent with core labour principles of the International Labour Organization (ILO) concerning freedom of association and collective bargaining, non-discrimination, forced labour, and underage workers in the workplace. Promoting human rights and adhering to ILO core labour standards internally and throughout all our business operations is in line with the Group's values and principles." See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>Related policies and guidance on labour rights subject matter can be found, for instance, in our Board-approved Workplace Standards. See: https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf and supporting guidelines on employment (labour rights), worker safety and environment: https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf or in our policy on Forced Labour & Trafficking: https://www.adidas-group.com/media/filer_public/3c/14/3c145fe8-e777-4696-aa51-4ef49731fbaa/adidas_policy_on_modern_slavery__2017.pdf</p>
Lock 1 Requirement	<p>AG - The Company's policy commitment(s) also expects its suppliers to commit to respecting each of the ILO core labour standards.</p> <p>AP - The Company's policy commitment(s) also expects its suppliers to commit to respecting each of the ILO core labour standards.</p> <p>EX - The Company's policy commitment(s) also expects its extractive business partners to commit to respecting each of the ILO core labour standards.</p>	<p>Our Board-approved Workplace Standards include a specific clause on Human Rights, which reads:</p> <p>"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. adidas 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. For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation's International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work."</p> <p>The Workplace Standards includes specific clauses that mirror the requirements of the ILOs core labour conventions, including freedom of association and collective bargaining, working hours, wages, benefits and compensation, and safety. See https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf</p>

Score 2 Requirement	<p>The Company has a publicly available statement of policy committing it to respecting the human rights that the ILO has declared to be fundamental rights at work. This includes the commitment to explicitly respecting each of the fundamental rights as set out in the Declaration on Fundamental Principles and Rights at Work or also referred to as the ILO core labour standards (i.e. the elimination of forced or compulsory labour, the abolition of child labour, the elimination of discrimination in respect of employment and occupation and both freedom of association and the effective recognition of the right to collective bargaining)</p> <p>AND its publicly available statement of policy also commits it to respecting the health and safety of workers.</p>	<p>ILO Standards are referenced in our Labour Rights Charter, which states that "Our company policies and procedures adhere to all applicable domestic laws and are consistent with core labour principles of the International Labour Organization (ILO) concerning freedom of association and collective bargaining, non-discrimination, forced labour, and underage workers in the workplace. Promoting human rights and adhering to ILO core labour standards internally and throughout all our business operations is in line with the Group's values and principles." See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>Related policies on labour rights subject matter, including a commitment to worker health and safety can be found in our Workplace Standards (also signed off by the Supervisory and Executive Boards as our overriding 'code of conduct') and supporting guidelines. See: https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/#/workplace-standards-supporting-guidelines/</p>
Lock 2 Requirement	<p>AG - The Company's policy commitment(s) also expects its suppliers to commit to respecting the health and safety of their workers.</p> <p>AP - The Company's publicly available statement of policy also commits it to respecting the ILO conventions on labour standards on working hours AND the Company's policy commitment(s) also expects its suppliers to commit to respecting the ILO conventions on labour standards on working hours and to commit to the health and safety of their workers.</p> <p>EX - The Company's policy commitment(s) also expects its extractive business partners to commit to respecting the health and safety of their workers.</p>	<p>The Board-approved Workplace Standards include a specific clause on Human Rights, which reads:</p> <p>"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. adidas expects 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. For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation's International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work."</p> <p>The Workplace Standards also include specific clauses that mirror the requirements of the ILOs core labour conventions, including working hours and safety. See https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.1.3 Commitment to respect human rights particularly relevant to the industry (AP)	
Indicator description	<p>The Company publicly commits to respecting human rights and ensures that the business relationships in its supply chain respect the human rights of individuals belonging to specific groups or populations that require particular attention (for example, women, children, indigenous peoples, minorities, persons with disabilities, or migrant workers and their families – see Table 16), where they may be at heightened risk of becoming vulnerable or marginalised if adversely impacted by the Company's activities or its business relationships.</p> <p>Note: Non-discrimination commitments are included under A.1.2 and not considered in this indicator.</p>	
Score 1 Requirement	<p>The Company has a publicly available statement of policy committing it to respecting women's rights</p> <p>OR to respecting children's rights</p> <p>OR to respecting the rights of migrant workers.</p> <p>In addition, the Company's policy commitment(s) also expects its suppliers make these commitments.</p>	<p>We follow a holistic approach to uphold women's rights, ensure gender equality and protect against all forms of gender-based discrimination, internally, and through our business relationships. See our commitment to respecting womens rights, see sub-section 'Women In The Supply Chain': https://www.adidas-group.com/en/sustainability/people/factory-workers/#/wanderarbeit/</p> <p>Our Labour Rights Charter, clearly states that "Our company policies and procedures adhere to all applicable domestic laws and are consistent with core labour principles of the International Labour Organization (ILO) concerning freedom of association and collective bargaining, non-discrimination, forced labour, and underage workers in the workplace. Promoting human rights and adhering to ILO core labour standards internally and throughout all our business operations is in line with the Group's values and principles." See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>Moreover the Charta states the company's position on child labour in unambiguous terms "We follow a clear "zero tolerance to child labour" policy in our business operations worldwide. We do not tolerate child labour in our supply chain either, where we take action against known cases of violation." Our position over migrant rights is included in our policy on Forced Labour & Trafficking https://www.adidas-group.com/media/filer_public/3c/14/3c145fe8-e777-4696-aa51-4ef49731fbaa/adidas_policy_on_modern_slavery_2017.pdf</p> <p>See also our approach to dealing with vulnerable groups as detailed on our corporate website. See: https://www.adidas-group.com/en/sustainability/people/factory-workers/ and addresses children, women, trade unions, migrants, individuals subject to forced labour, and human rights defenders.</p> <p>Related policies and guidance on labour rights subject matter can be found, for instance, in our Board-approved Workplace Standards and supporting guidelines on employment (including women's rights and children's rights and migrant rights): https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/ Suppliers are contractually bound to fulfil the obligations stated in the Workplace Standards and supporting guidelines.</p>
Score 2 Requirement	<p>The Company's publicly available statement of policy committing it to respecting women's rights refers to the relevant part(s) of the Convention on the Elimination of Discrimination Against Women or of the Women's Empowerment Principles</p> <p>OR the Company's publicly available statement of policy committing it to respecting children's rights 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 statement of policy committing it to respecting migrant workers' rights 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.</p> <p>The Company also has a publicly available statement of policy committing it to respecting the right to water.</p> <p>AND the Company's policy commitment(s) also expects its suppliers to make these commitments.</p>	<p>Our approach to dealing with vulnerable groups is detailed on our website. See: https://www.adidas-group.com/en/sustainability/people/factory-workers/ and addresses children, women, trade unions, migrants, individuals subject to forced labour, and human rights defenders.</p> <p>Related policies and guidance on labour rights subject matter can be found, for instance, in our Board-approved Workplace Standards (our 'code of conduct') and supporting guidelines on employment (including women's rights and children's rights), and migrant rights https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/; suppliers are contractually bound to fulfil the obligations stated in the Workplace Standards and supporting guidelines. Our Guidelines on Employment Standards detail the relevant international conventions to be considered with respect to women's rights (CEDAW), child rights (CRC) and migrant labour rights, etc. See https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/</p> <p>We have well established policies on sustainable resource management, including respecting the right to water, through water stewardship, pollution prevention, etc. Under Human Right to Water, see here our approach and policy: https://www.adidas-group.com/en/sustainability/compliance/environmental-approach/#/approach-to-address-water-efficiency-and-quality/Our-sustainability-efforts – that span many decades – are detailed on our website at http://www.adidas-group.com/en/sustainability/managing-sustainability/general-approach/#/unsere-nachhaltigkeitsstrategie/ Guidance on water management to minimize impacts on local communities is given in our Environmental Guidelines. See: https://www.adidas-group.com/media/filer_public/2013/07/31/environmental_guidelines_english.pdf which at p.11 state: "adidas supports the sustainable use of materials and the conservation of natural resources. We recognize that uncontrolled consumption of resources may have dire implications for local communities and for the planet. We are therefore committed to act wherever we have direct influence – in the design of our products and in the selection of materials – and where we see measurable adverse impacts from the manufacture and transportation of our goods."</p> <p>We expect our suppliers and business partners to be aligned with globally agreed policies and frameworks for sustainable resource use and have a strategy in place for a stepwise improvement in their efficiency, with specific measures to eliminate all forms of waste (as described in Section 4.1 of our Environment Guidelines) and to reduce their:</p> <ul style="list-style-type: none"> • Energy consumption, with a primary focus on energy efficiency • Carbon emissions and associated impacts on greenhouse gases (GHG) • Water footprint, with a focus on water conservation and recycling efforts.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.1.4 Commitment to engage with stakeholders	
Indicator description	<p>The Company publicly commits to engage with its stakeholders, including potentially and actually affected stakeholders and their legitimate representatives.</p>	

<p>Score 1 Requirement</p>	<p>The Company has a publicly available statement of policy committing it to engage with its potentially and actually affected stakeholders, including in local communities where relevant OR there is evidence that the company regularly engages with potentially and actually affected stakeholders.</p> <p>Note: Engagement with potentially and actually affected stakeholders means engaging in a dialogue with the stakeholders who might be, or are, impacted by the company's activities or with their legitimate representatives. Depending on the nature of the company's operations, this can include (but is not limited to) workers, their families, local communities and any other person or group of people whose life and environment might be impacted. Evidence of engagement in the last two years will count as evidence of regular engagement.</p>	<p>Our policy towards our stakeholders is clear: we actively engage, we listen, we seek to understand their ideas and concerns and, where it is within our ability, we act. We have a long-standing commitment to engaging our stakeholders and have published a guideline. See: http://www.adidas-group.com/media/filer_public/2013/07/31/stakeholder_relations_guideline_2012_en.pdf which describes the principles we adhere to in stakeholder relations: "Those affected by adidas business have a right to be informed about our activities, participate in a transparent stakeholder engagement process and be involved in issues and opportunities that affect them; Stakeholders will be provided with timely and accurate information about our business and we will take into account the needs and concerns of stakeholders when making decisions on the company's behalf; We will actively seek stakeholder input and feedback on its business decisions and will respond to what we learn; We will encourage stakeholders to define the manner in which they wish to be consulted, and will strive to remain flexible and responsive to stakeholder preferences; We identify, assess and address potential risks on stakeholders' and adidas' side to ensure a high quality process and outcome of the engagement; Those acting on behalf of adidas must be willing to be influenced by stakeholders and where appropriate, act on the input even if it means making changes to the company's business plans; We respect the values and culture of each stakeholder. When disagreement with stakeholders occurs and cannot be resolved, our employees will always demonstrate respect for the diversity of views presented."</p> <p>We have posted invitations to stakeholders to engage in the development of our strategies and policies related to human rights. For example in 2016 we posted a call to stakeholders on the BHRRC site on our modern slavery strategy for the extended supply chain. See: https://business-humanrights.org/sites/default/files/documents/adidas%20Group%20Modern%20Slavery%20Outreach_Perfect%20is%20the%20Enemy%20of%20Good_8Nov2016%20[002].pdf Another example is where we have canvassed the views of stakeholders (industry partners, governments and NGOs representing community interests) in our leather supply chain to evaluate risks of forced labour, child labour and trafficking in this sector. See our engagement efforts outlined on p.2 of our 2017 modern slavery and forced labour progress report here: https://www.adidas-group.com/media/filer_public/c5/5e/c55e8a67-f29a-4b97-b5f8-79514afc2877/modern_slavery_outreach_program_progress_against_goals_2017.pdf Another example is our participation in the FOA Protocol committee in Indonesia which was established jointly by adidas in partnership with other brands, the local trade unions and our suppliers to regularly meet and engage on supply chain issues. In recent years we have engaged closely with UNHCR, the Turkish government and local NGOs to address the rights of Syrian workers to secure meaningful and legal employment. See p 56 of our 2016 Sustainability Report here https://www.adidas-group.com/media/filer_public/08/7b/087bf055-d8d1-43e3-8adc-7672f260d9b/2016_adidas_sustainability_progress_report.pdf This engagement has informed the risk management and labor monitoring approach adopted by the company</p>
<p>Score 2 Requirement</p>	<p>The Company's publicly available statement of policy also commits it to engaging with affected stakeholders and their legitimate representatives in the development or monitoring of its human rights approach</p> <p>OR there is evidence that the company regularly engages with affected stakeholders and their legitimate representatives in the development or monitoring of its human rights approach.</p>	<p>An example of our engagement includes our work on Modern Slavery where we are canvassing the views of stakeholders (industry partners, governments and NGOs representing community interests) in our raw materials supply chain for leather to evaluate the forced labour, child labour and trafficking risks in this sector. See engagements listed in our 2017 modern slavery progress report here: https://www.adidas-group.com/media/filer_public/c5/5e/c55e8a67-f29a-4b97-b5f8-79514afc2877/modern_slavery_outreach_program_progress_against_goals_2017.pdf Another example is our participation in the FOA Protocol committee in Indonesia which was established jointly by adidas in partnership with other brands, the local trade unions and our suppliers to regularly meet and engage on supply chain issues. In recent years we have engaged closely with UNHCR, the Turkish government and local NGOs to address the rights of Syrian workers to secure meaningful and legal employment see p.56 of our 2016 sustainability progress report. See also p14 of FLA's 2017 reaccreditation report here http://www.fairlabor.org/sites/default/files/documents/reports/adidas_reaccreditation_assessment_october_2017.pdf This engagement has informed the risk management and labor monitoring approach adopted by the company with respect to our supply chain in Turkey and a highly vulnerable group: refugees.</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>A.1.5 Commitment to remedy</p>	
<p>Indicator description</p>	<p>The Company publicly commits to providing for or cooperating in remediation for affected individuals, workers and communities through legitimate processes (including judicial and non-judicial mechanisms, as appropriate), where it identifies that it has caused or contributed to adverse impacts.</p>	
<p>Score 1 Requirement</p>	<p>The Company has a publicly available statement of policy committing it to remedy the adverse impacts on individuals, workers and communities that it has caused or contributed to.</p>	<p>Our FAQ on embedding human rights, See http://www.adidas-group.com/media/filer_public/9e/57/9e576abc-a9fd-400c-af1c-8157a5c6fa6/human_rights_and_responsible_business_practices_dec2014.pdf sets out the following position for the company:</p> <p>Q.17 "Where we find potential or actual adverse impacts, we are committed to mitigate or eliminate those impacts, either alone or in co-operations with others. We do so to fulfil a basic obligation as a responsible business, that is, to do no harm when it comes to the exercise and fulfilment of human rights. It is a standard which adidas accepts and holds itself accountable to."</p> <p>Our Complaint Mechanism also makes it clear (See p.8 under the heading Remedial Action) http://www.adidas-group.com/media/filer_public/3a/a8/3aa87bcf-9af9-477b-a2a5-100530e46b19/adidas_group_complaint_process_october_2014.pdf that:</p> <p>"Where adidas determines that it has caused or directly contributed to a violation it will undertake to cease or change the activity that is responsible, in order to prevent or mitigate the chance of the impact occurring or recurring. If an impact is occurring, adidas will engage actively in its remediation, either directly or in cooperation with others.</p> <p>Where adidas is neither causing nor directly contributing to a violation it will encourage the entity that has caused or contributed to the impact to prevent or mitigate its recurrence."</p> <p>A core element of adidas' engagement with suppliers and its licensees and agents, is to build capacity and offer guidance, advice and support to address non-compliances through effective and lasting remedial processes.</p>
<p>Score 2 Requirement</p>	<p>The commitment also recognises this should not obstruct access to other remedies or includes collaborating in initiatives that provide access to remedy AND the commitment also includes working with business relationships to remedy adverse impacts which are directly linked to its operations, products or services through the business relationship's own mechanisms or through collaborating with those business relationships on the development of third party non-judicial remedies.</p>	<p>See our General Approach to human rights where we explain that: "We have therefore developed a due diligence approach that targets those 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 upstream and downstream of our product creation. Finally, to complement these processes, we have put in place dedicated third party grievance channels to tackle complaints." See: https://www.adidas-group.com/en/sustainability/compliance/human-rights/#/uk-modern-slavery-act/due-diligence-approach/</p> <p>In our complaints mechanism it is made clear that parties seeking remedies are not limited in the channels they can pursue to resolve a human rights breach or non-compliance with adidas Workplace Standards: "Any individual, group or community submitting a complaint to adidas is free to pursue their legal rights and apply for judicial (court) or administrative remedies available to them. If matters of law, or if legal interpretation are a key element of a complaint, it may be important to follow a judicial mechanism first." See: https://www.adidas-group.com/media/filer_public/49/b3/49b3e456-5a3d-4439-a3cb-c37fe4c9e2f0/summary_of_third_party_complaint_process_adidasgroup_march_2017.pdf</p>
<p>Lock 2 Requirement</p>	<p>AG - The commitment also includes working with its suppliers to remedy adverse impacts.</p> <p>AP - The commitment also includes working with its suppliers to remedy adverse impacts.</p> <p>EX - The commitment also includes working with its extractive business partners.</p>	<p>See our General Approach to human rights where we explain that: "We have therefore developed a due diligence approach that targets those 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 upstream and downstream of our product creation." https://www.adidas-group.com/en/sustainability/compliance/human-rights/#/uk-modern-slavery-act/due-diligence-approach/</p> <p>This is reflected in the language of our Board-approved Workplace Standards which in the preamble state: "We use 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. As a set of guiding principles, the Workplace Standards also "help identify potential problems so that we can work with our business partners to address issues of concern as they arise," which is matched with clear expectations to uphold Human Rights, which reads: "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. For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation's International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work." See: https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf.</p>

		As observed by the FLA in its 2017 re-accreditation process, one of the key strengths of adidas' supply chain labour and human rights program is our "work with Tier 1 Suppliers in addressing labor violations in their supply chain" See http://www.fairlabor.org/sites/default/files/documents/reports/adidas_reaccreditation_assessment_october_2017.pdf at p.5. The FLA goes on to observe that "adidas has worked to develop and refine its supplier training programs so that suppliers are better equipped to remediate noncompliance's" See http://www.fairlabor.org/sites/default/files/documents/reports/adidas_reaccreditation_assessment_october_2017.pdf at p.9.
		An example of how we work with our suppliers to drive remedial processes is given in our Approach to Fair Wages on our corporate website, where under the Remedy pillar we state that "If we find evidence of non-compliance, we recommend remedial steps and actively engage with our suppliers to implement corrective action, drive improvement and prevent further non-conformance". See https://www.adidas-group.com/en/sustainability/people/factory-workers/#/
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.1.6 Commitment to respect the rights of human rights defenders	
Indicator description	The Company publicly commits to not tolerating threats, intimidation, physical or legal attacks against human rights defenders, including those exercising their rights to freedom of expression, association, peaceful assembly and protest against the business or its operations. (See also Indicator C.5)	
Score 1 Requirement	The Company has a publicly available statement of policy committing it to neither tolerate nor contribute to threats, intimidation and attacks (both physical and legal) against human rights defenders in relation to its operations.	Human Rights Defenders are included within our list of Vulnerable Groups on our corporate website. See: https://www.adidas-group.com/en/sustainability/people/factory-workers/#/human-rights-defenders/ We have also posted our general approach and policy to safeguarding the rights and activities of Human Rights Defenders on our corporate website, including recent examples of interventions to protect those rights. See: http://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf
Score 2 Requirement	The Company also meets the requirements under the industry lock below.	Human Rights Defenders are included within our list of Vulnerable Groups on our corporate website. See: https://www.adidas-group.com/en/sustainability/people/factory-workers/#/human-rights-defenders/ We have also posted our general approach and policy to safeguarding the rights and activities of Human Rights Defenders on our corporate website, including recent examples of interventions to protect those rights. See: http://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf
Lock 2 Requirement	AG - The Company's policy commitment(s) also expects its suppliers to make these commitments. AP - The Company's policy commitment(s) also expects its suppliers to make these commitments. EX - The Company's policy commitment(s) also expects its extractive business partners to make these commitments.	Our expectation that suppliers meet the same public commitment is given in the 5th paragraph of our general approach and policy on Human Rights Defenders. See: http://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.2.1 Commitment from the top	
Indicator description	The Company's human rights policy commitments are approved and communicated at Board level and a Board member or Board committee is tasked with addressing one or more areas of respect for human rights. Note: Management level responsibility is assessed under indicator B.2.1. and therefore not considered in this indicator.	
Score 1 Requirement	The Company's human rights policy commitments are approved by the Board or the CEO by name AND a Board member or Board committee is tasked with specific governance oversight of one or more areas of respect for human rights.	adidas' highest level of policy commitments on human rights are contained in a document called the Labour Rights Charta. The Charta is owned and approved by the Chief Executive Officer of adidas. Resulting mandates and tasks are clearly delegated to the responsible Board members, the Chief Human Resource Officer and the Global Legal & Compliance Officer. This is outlined in our Charta. See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf . Ultimate accountability for human rights for the company and its operations rests with the CEO (to whom the Chief Legal Counsel reports) and for employee matters with the Chief HR Officer, who is also an Executive Board member. As noted above, the CEO and Chief HR Officer are the policy holders and joint signatories to the Labour Rights Charta. Day to day operational accountability for human rights, ethics and corporate compliance rests with Chief Legal Counsel, who reports directly to the CEO.
Score 2 Requirement	Board members or the CEO make speeches, presentations or other communications setting out the Company's approach to human rights or discussing its business importance.	The central importance of 'people' is emphasized in our CEO Statement at page 4- 5 of the 2016 Sustainability Report, which states: "Sport needs a space to exist. However, these spaces are increasingly endangered due to various threats to our world such as increased industrial pollution and its effect on the environment and our planet's climate, the violation of human rights such as forced labour practices or discrimination, the consequences of increasing urbanization as well as the ever-growing population, to name a few examples. Based on our passion for sport, we want to be the guardians of these spaces of sport, and we aim to protect these spaces that have a direct link to our business: we want to protect spaces where sport is made, sold and played. Within this life cycle of sport, we focus on two dimensions, people and product, for each of which we have set three strategic priorities and ambitious, tangible and measurable goals that guide our sustainability work towards 2020. You will find more details on these priorities, and the progress we made towards these goals in 2016, as you read this report". See also specific reference to Health & Safety on page 81 of the sustainability progress report: https://www.adidas-group.com/media/filer_public/08/7b/087b0f55-d8d1-43e3-8adc-7672f2760d9b/2016_adidas_sustainability_progress_report.pdf As part of the acceptance speech for the Thomson Reuters Foundation's 2017 Stop Slavery Award, a video was broadcast from Gil Steyaert, adidas Executive Board Member, explaining our commitment to human rights and our efforts as a company to address modern slavery operationally and throughout our global supply chain. See [at 5 min] http://www.trustconference.com/videos/f/7id=281a9b94-0e53-4c84-bb3b-c12bb29e8a6b&confYear=2017 Our CEO statement published in March 2016 as part of our Sustainability Reporting [at page 7] states: "ADVANCING OUR HUMAN RIGHTS WORK: We want to know and publicly show that we are able to manage risks by identifying, preventing and , where necessary, mitigating the human rights impacts of our own operations and those of our supply chain partners. You will read about our initiatives for implementing and strengthening our human rights approach ... but allow me to highlight a significant step ... when we became the first company in our industry to publish a record of the third party complaints received ... related to labour or human rights violations." See https://www.adidas-group.com/media/filer_public/9c/f3/f39cf3db44-b703-4cd0-98c5-28413f272aac/2015_sustainability_progress_report.pdf
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.2.2 Board discussions	
Indicator description	The Company has processes in place to discuss and address human rights issues at Board level or the Board or a Board committee regularly reviews the Company's salient human rights issues and provides examples of what was discussed.	
Score 1 Requirement	The Company describes the process it has in place to discuss and address human rights issues at Board level or the how the Board or a Board committee regularly reviews the Company's salient human rights issues OR it provides examples of specific human rights issues discussed or examples of trends in types of human rights issues discussed at Board level or a Board committee during the Company's last reporting period.	Human rights concerns fall under the purview of the company's Supervisory Board, which oversees the activities of the Executive Board. adidas' Global Legal & Compliance Officer and the Global Director for Social and Environmental Affairs (SEA) provide regular briefings to the Supervisory Board. Following the German regulations on co-determination the Supervisory Board comprises shareholder representatives, trade union representatives and elected members of the company's Works Council, which represents employee interests. They take an active interest, for example, in working conditions in global supply chains, corporate ethics, employee affairs, etc. The Supervisory Board reviewed and approved the Labour Rights Charta, which contains the company's commitment to human rights. In accordance with the German works council constitution act, the Works Council is involved in day-to-day business decisions and must be consulted on various subjects, such as changes in wages, benefits, working conditions, operational matters and the entrepreneurial direction of the business. See our 2016 CHRB submission disclosed on our corporate website under POLICIES & GUIDANCE at https://www.adidas-group.com/en/sustainability/compliance/human-rights/

Score 2 Requirement	The Company meets both of the requirements under Score 1.	<p>The Supervisory Board requests detailed reports and regular updates from the Executive Board on corporate strategies and actions taken to ensure compliance with human rights and labor standards in the supply chain and at the company's own sites. Examples of special reports which have been submitted recently to the Supervisory Board for its consideration, include:</p> <ul style="list-style-type: none"> • Company's decision on severance payments for workers illegally dismissed by a supplier in Indonesia • Company's decision to join the German Government led Alliance on Sustainable Textiles established in 2015 • Company's investigations and findings on labour rights violations in a product distribution center in Rieste (Germany) as claimed by the media <p>Furthermore, the Executive Board has deliberated and communicated its strong support for FIFA's efforts to commission an independent review of its human rights practices. For further information on this topic, see Section B2.3 of this submission.</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	A.2.3 Incentives and performance management	
Indicator description	The Company provides incentives to the Board linked to the implementation of its human rights policy commitments or targets.	
Score 1 Requirement	The Company indicates that at least one Board member has an incentive or performance management scheme linked to an aspect of the Company's human rights policy commitment(s). If the Company has linked its incentive scheme to only one aspect of its human rights policy commitment(s), this aspect is one of the Company's key industry risks.	Compliance with Human Rights Principles is an integral element of adidas Risk and Opportunity Management that continuously explores and develops opportunities in order to remain competitive and ensure sustainable success. The risk and opportunity management principles and system provide the framework for our Group to conduct business in a well-controlled environment. See: http://www.adidas-group.com/en/investors/corporate-governance/risk-and-opportunity-report/#/risk-and-opportunity-management-system/
Lock 1 Requirement	<p>AG - The aspect linked to the incentive scheme covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities or workers in the supply chain.</p> <p>AP - The aspect linked to the incentive scheme covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of workers in the supply chain.</p> <p>EX - The aspect linked to the incentive scheme covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities and workers of extractive business partners.</p>	Executive Board members are accountable within their area of responsibilities and incentivized to ensure that company's decisions properly address identified risk and opportunities. Primary responsibility for ensuring human and labour rights standards are met in the global supply chain rests with the Executive Vice President, Global Operations. A regular reporting to the Executive Board member Global Operations is in place that informs about relevant human rights developments, findings and actions See: http://www.adidas-group.com/media/filer_public/e9/73/e973ac3-f889-43e5-b3c0-bc870d53b964/2015_gb_en.pdf
Score 2 Requirement	The criteria linking Board remuneration to human rights performance is also made public.	Human rights specific targets as part of the overall sustainability targets are reviewed and approved by the Executive Board on an annual basis. Progress reports are provided to the Supervisory Board. Board remuneration against specific target achievements is described in the compensation report. See: https://www.adidas-group.com/en/investors/corporate-governance/compensation-report/#/non-performance-related-components/2016-performance-bonus/
Measurement Theme B - Embedding Respect and Human Rights Due Diligence		
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.1.1 Responsibility and resources for day-to-day human rights functions	
Indicator description	The Company outlines senior level responsibility for human rights within the Company as well as the organisation of the day-to-day responsibility for human rights across relevant internal functions.	
	Note: Board level responsibility is assessed under indicator A.2.1 and therefore not considered in this indicator.	
Score 1 Requirement	The Company indicates the senior manager role(s) responsible for relevant human rights issues within the Company (i.e. responsibility for human rights is assigned to a senior manager(s)) and this includes the ILO core labour standards at a minimum.	SEA's work in this area is led by a Vice President who is a human rights lawyer with 30 years of experience in dealing with social and environmental issues. He acts as an in-house counsel for the business on human and labour rights topics (including all ILO core labour standards) and works with other highly qualified and experienced colleagues within SEA familiar with labour, safety and environmental issues. Other specialist lawyers within Legal & Compliance lead on related topics, such as business ethics and privacy. In 2015 the company hired a full time resource for daily management of its modern slavery outreach program including forced labour and human rights reporting to the Vice President. See: https://www.business-humanrights.org/sites/default/files/documents/2018-02%20Adidas_modern%20slavery%20outreach%20program_2018-2020.pdf
		In terms of governance, ultimate responsibility for the Group's management of human rights impacts resides with the Group's Chief Compliance Officer/Legal Counsel. He reports directly to the CEO and to the Executive Board. Responsibility for managing employee related issues across the Group rests with Chief Human Resources Officer and ultimately with the Executive Board.
Score 2 Requirement	The company also describes how day-to-day responsibility is allocated across the range of relevant functions and geographies of the Company.	See response to score 1
Lock 2 Requirement	<p>AG - The Company describes how day-to-day responsibility for managing human rights issues within its supply chain is allocated.</p> <p>AP - The Company describes how day-to-day responsibility for managing human rights issues within its supply chain is allocated.</p> <p>EX - The Company describes how day-to-day responsibility for managing human rights issues with its extractive business partners is allocated.</p>	Our management of labour, safety and environmental issues is described in our supply chain approach, see: https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/ Day-to-day responsibility for managing human and labour rights related issues in its suppliers rests with the Social & Environmental Affairs department, within Global Legal & Compliance. The department has labour rights, safety and environmental experts located in each major sourcing country. Staff are local and speak the local language and manage local engagement with stakeholders, including worker representatives, human and labour rights monitoring in the local supply chain and supplier remediation and complaint processes. Serious issues and breaches of human rights are escalated to the regional VPs and Directors, or the in-house human rights counsel, for further action or intervention as required.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.1.2 Incentives and performance management	
Indicator description	The Company provides incentives to senior managers linked to implementation of the Company's human rights policy commitments or targets.	
Score 1 Requirement	The Company indicates that it has an incentive or performance management scheme linked to aspects of its human rights policy commitment(s) for at least one senior manager.	Our Social & Environmental Affairs' SVP in Europe, and VPs in Asia and America, and their subordinate Senior Directors and Directors, who are tasked with the delivery of labour and human rights programmes across the business, with our licensees, and in the global supply chain, have clear targets in our performance appraisal system which links pay with performance and the execution of our human rights policy commitments.

<p>Lock 1 Requirement</p>	<p>AG - This includes senior managers or senior procurement managers and covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities or workers in the supply chain.</p> <p>AP - This includes senior managers or senior procurement managers and covers at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities or workers in the supply chain.</p> <p>EX - This includes senior managers covering at least one of the key industry risks in Table 5 considered salient. If health and safety is the only issue for which there is a performance incentive, it includes the health and safety of local communities and workers of extractive business partners.</p>	<p>Our Social & Environmental Affairs' SVP in Europe, and VPs in Asia and America, and their subordinate Senior Directors and Directors, who are tasked with the delivery of labour and human rights programmes across the business, with our licensees, and in the global supply chain, have clear targets in our performance appraisal system which links pay with performance and the execution of our human rights policy commitments. Those commitments include a range of salient issues related to the labour rights and safety of workers in the supply chain.</p> <p>Performance is tracked monthly including issues management, general monitoring and remedial action related to adverse human rights impacts.</p>
<p>Score 2 Requirement</p>	<p>The criteria linking the senior manager(s)' remuneration to the Company's human rights performance is also made public.</p>	<p>Not available</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>B.1.3 Integration with enterprise risk management</p>	
<p>Indicator description</p>	<p>The Company integrates attention to human rights risks into its broader enterprise risk management system[s].</p>	
<p>Score 1 Requirement</p>	<p>The Company describes how attention to human rights risks is integrated as part of its broader enterprise risk management systems.</p>	<p>At Q10 of our FAQ on Human Rights and Responsible Business Practices, see: http://www.adidas-group.com/media/filer_public/9e/57/9e576abc-a9fd-400c-af1c-8157a5cbcf66/human_rights_and_responsible_business_practices_dec2014.pdf we state that: "Due diligence is an integral part of our business decision-making and risk management systems.</p> <p>The Guiding Principles on Business and Human Rights recommend that enterprises undertake due diligence in order to identify, prevent, mitigate and account for adverse human rights impacts. The process should include assessing actual and potential human rights impacts, integrating and acting upon the findings, tracking responses, and communicating how impacts are addressed.</p> <p>Such a due diligence process is already in place within adidas with respect to the way we manage labour 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, measurement, 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 company Internal Audit function."</p> <p>We have explained through our public communications on our general approach to human rights, that our due diligence process has the required "maturity and the flexibility to tackle complex situations and issues. It allows for us to engage. To enter into a dialogue with rights holders, those whose interests we are seeking to protect if they are being adversely affected by our business partners' activities, and to offer remedies to impacts we may have caused or are contributing to. This is important, especially when our overriding aim is to know, and show, that we as a business respect human rights." See http://blog.adidas-group.com/2014/12/embedding-human-rights-into-business-practices</p>
<p>Score 2 Requirement</p>	<p>The Company also describes how the Board Audit Committee or an independent assessment was carried out of the adequacy of the enterprise risk management systems in managing human rights during the Company's last reporting year.</p>	<p>The Audit Committee of the Supervisory Board supervises in particular accounting matters and deals with risk management and compliance. It assures itself of the efficiency of the risk management, internal control and compliance systems and is regularly informed on the work undertaken by Internal Audit. The Audit Committee's exact methods of working are regulated by the Rules of Procedure.</p> <p>See: http://www.adidas-group.com/en/investors/corporate-governance/supervisory-board-committees/#/prfungsausschuss/</p> <p>Group Internal Audit (GIA) is an independent, objective assurance function tasked with bringing a systematic, disciplined approach to evaluate the effectiveness of risk management, internal controls and governance processes, in order to assess compliance with and conformance to adidas internal control framework. GIA aims to identify opportunities to improve company performance and operations through their audit work.</p> <p>The primary role of GIA is to assist the company Executive Board to protect the assets, reputation and sustainability of adidas. It does this by assessing whether all significant risks are identified and appropriately reported by management to the company Executive Board; by assessing whether these risks are adequately controlled; and by challenging the company Executive Board to evaluate and improve the effectiveness of governance, risk management and internal controls throughout all areas of the business. GIA aims to identify opportunities to improve company performance and operations through their audit work.</p> <p>Following the regulation on non-financial disclosure adidas reported about subjects that have been identified as material or salient based on a materiality assessment in its 2017 Annual Report. The subject of Human Rights subjects in the supply chain was identified as a material subject. The 2017 annual report and its content was reviewed by chartered accountants and the audit committee of the Supervisory Board.</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>B.1.4.a Communication/dissemination of policy commitment(s) within Company's own operations</p>	
<p>Indicator description</p>	<p>The Company communicates its human rights policy commitment(s) to employees and other workers as well as to external stakeholders, in particular potentially affected stakeholders.</p> <p>Note: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. If a company clearly commits to the ILO Declaration on Fundamental Principles and Rights at Work, this will be accepted as including the four ILO core labour standards. If a company commits to the UN Global Compact alone, this will not count as including the ILO core labour standards unless the company chooses to list out each of the UN Global Compact principles. This is because for communication, training, and monitoring purposes, clarity of message is important. If in doing so a company only explicitly refers to less than all four UN Global Compact labour rights principles then this will not meet the requirement to score 1 or 2 for this indicator.</p>	
<p>Score 1 Requirement</p>	<p>The Company describes how it communicates its policy commitment(s) to all workers, including local languages where necessary.</p>	<p>Our commitments to human rights has been shared in multiple ways, across different audiences. adidas human rights FAQ was broadly distributed to stakeholders as quick reference on adidas' human rights approach. Our general approach and progress in managing human rights has also been shared with interested stakeholders in the triple A community (Analyst, Academics and Activists) through our annual Sustainability Reports.</p> <p>Our Labor Charta that contains our core commitments to human rights and the ILO standards (which was prepared in consultation with the company's Supervisory Board, including the employees' Workers Council, trade unions and independent Board representatives) has been shared with investors, shareholders and directly with all employees. The Labor Charta is available in English and in German, which are the official languages of the company. All employees must be competent in one of these languages to secure employment with adidas.</p> <p>All Employees have live access to all global policies within our intranet site. To support employees who have a concern or complaint, they are able to access the internal Play Fair complaint hotline which is available in multiple languages. See https://www.adidas-group.com/en/investors/corporate-governance/code-of-conduct</p> <p>We have also broadcast and promoted our human and labour rights complaint mechanisms to critical stakeholders and to workers and their representatives, which attest to our commitment to uphold rights and drive effective remedy. For example, local language posters appear in every factory notice board, providing workers with a hotline number and local contact with adidas, asking them to inform us if they are unable to resolve labour issues and complaints internally within the factory. Separately we publish our third party complaint mechanism, which describes our commitment to uphold human rights. A summary of the complaint mechanism is presented in the core languages of the workers and other interested stakeholders. See Third Party Complaint process at https://www.adidas-group.com/en/sustainability/compliance/human-rights/uk-modern-slavery-act/due-diligence-approach/</p>

Score 2 Requirement	The Company also describes how it communicates its policy commitments to stakeholders, including local communities and potentially affected stakeholders AND the Company provides an example of how it ensures the form and frequency of the information communicated is accessible to its intended audience.	As described above, adidas uses many different types and channels of communication to share information about its strategies, policies and procedures with respect to human and labour rights, and to engage with stakeholders. These include: <ul style="list-style-type: none"> • the corporate website: http://www.adidas-group.com/en/sustainability/managing-sustainability/general-approach/ • Annual Sustainability Reports: https://www.adidas-group.com/en/sustainability/reporting/sustainability-reports/ • Tailored distribution of information to stakeholder groups, including workshops and dialogues • Individual correspondence and one-on-one meetings • Offering grievance channels and designated email addresses for stakeholder questions and concerns One example of a tailored approach is the fact that the company has progressively moved to digital platforms our intranet (A-LIVE), as well as using YAMMER for employee communications. To support and promote an understanding of human rights commitments among our employees a blog was prepared and posted on this topic. See for example http://blog.adidas-group.com/2014/12/embedding-human-rights-into-business-practices/
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.1.4.b Communication/dissemination of policy commitment(s) to business relationships	
Indicator description	The Company communicates its human rights policy commitment(s) to its business relationships. In addition, it reflects its human rights commitments within the terms of its contracts (or other equivalent, binding arrangements) with business relationships. (See also Indicator B.1.7). Note: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [See full note at B.1.4.a above]	
Score 1 Requirement	The Company describes the steps it takes to communicate its human rights policy commitment(s) to its business relationships.	Every supplier, licensee and agent entering into a business relationship with adidas must receive, read and commit to our Workplace Standards, which details our expectations for business partners to uphold labour standards and human rights. The Workplace Standards include a specific clause on Human Rights, which reads: "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. adidas expects 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. For the purposes of these Workplace Standards, human rights are a set of rights which recognize the inherent dignity, freedom and equality of all human beings, as expressed in the United Nation's International Bill of Human Rights and in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work." See: https://www.adidas-group.com/media/filer_public/11/c7/11c72b1b-b6b2-4fe7-b0b9-59c7242143e9/adidas_group_workplace_standards_january_2016_en.pdf For a description of the engagement and approval process followed for our suppliers see WORKING WITH SUPPLIERS at https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/ adidas also has a specific program of outreach to the extended supply chain that focuses on fundamental labour rights including forced labour, child labour, trafficking in persons and migrant labour rights. This is termed our Modern Slavery Outreach Programme and includes the sharing of guidance and specific training for suppliers in Tier 2 enrolled in this programme. See our 2017 modern slavery and forced labour progress report here: https://www.adidas-group.com/media/filer_public/c5/5e/c55e8a67-f29a-4b97-b5f8-79514afc28f7/modern_slavery_outreach_program_progress_against_goals_2017.pdf
Lock 1 Requirement	AG - The company actively communicates its human rights policy commitments down its supply chain, or requires its suppliers to do so. AP - The company actively communicates its human rights policy commitments down its supply chain, or requires its suppliers to do so. FX - This must include extractive business partners.	Every supplier, licensee and agent entering into a business relationship with adidas must receive, read and commit to our Workplace Standards, which details our expectations for business partners to uphold labour standards and human rights.
Score 2 Requirement	The Company describes how its human rights policy commitments are reflected within contractual or other binding arrangements with its business relationships.	To produce for adidas, suppliers, agents and licensees must enter into formal legal agreements; for example, by way of a manufacturing agreement, licensing agreement or agency agreement. The Workplace Standards (and our supporting guidelines on employment, safety and environment) are an integral part of such agreements. Suppliers, agents and licensees are therefore contractually bound to uphold the Workplace Standards and the relevant labour and human rights requirements described therein. We encourage suppliers to share our Workplace Standards, policies and practices with their subordinate relationships, including external service providers (catering security firms, etc.) And where a strategic business partner achieves "self-governance" status under our social compliance KPI system, we expect that they also audit and monitor their subordinate suppliers
Lock 2 Requirement	AG - The company requires the supplier to cascade the contractual or other binding requirements down their supply chain. AP - The company requires the supplier to cascade the contractual or other binding requirements down their supply chain. EX - This must include extractive business partners.	As part of our human rights due diligence efforts, we actively engage with our suppliers and business partners to broaden the impact of our policies and commitments, to include their own subcontracting relations. As stated on our website "Given the scale and complexity of our value chain - with goods sourced from more than 61 countries globally and sold in over 100 markets - it is not practical to conduct human rights impact assessments continuously across all entities that are linked to our products or operations. We have therefore developed a due diligence approach that targets those 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 upstream and downstream of our product creation. This is especially evident in regards to our Modern Slavery Outreach Program where we target issues upstream of our production through collaborative models and targeted trainings. See our 2017 modern slavery outreach program progress report: https://www.adidas-group.com/media/filer_public/c5/5e/c55e8a67-f29a-4b97-b5f8-79514afc28f7/modern_slavery_outreach_program_progress_against_goals_2017.pdf Finally, to complement these processes, we have put in place dedicated third party grievance channels to tackle complaints." See: https://www.adidas-group.com/en/sustainability/compliance/human-rights/#/uk-modern-slavery-act/due-diligence-approach/
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.1.5 Training on Human Rights	
Indicator description	"The Company trains its workers on its human rights policy commitment(s). Note: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [See full note at B.1.4.a above]"	

Score 1 Requirement	The Company indicates that all its workers are trained on its human rights policy commitment(s) OR it describes how relevant managers and workers receive specific human rights training relevant to their role.	All new employees are given induction training to familiarize them with adidas policies and procedures, including our ethical conduct of conduct and adherence to our Labour Charta which references the core labour standards. They are also provided briefings by individual functions, including SEA. Face-to-face training is complemented by social media and electronic platforms, which suits the young age profile of our employees. Web postings and blogs on human rights and human rights related topics are also employed to raise awareness of the company's programmes. See, for example, http://blog.adidas-group.com/2014/12/embedding-human-rights-into-business-practices/ 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. Our supplier training programmes – whether conducted in-house or externally – are tailored to specific rights or standards, rather than more general training on "human rights". Procurement employees and managers for example have received training on modern slavery and from 2018 will have access to an online training module, on the Fair Play training platform. Induction programmes for newly joining procurement staff also includes familiarization with the company's Workplace Standards and our Responsible Sourcing policies Our global legal teams have received formal briefings on the application of the UN Guiding Principles on Business and Human Rights and the corresponding human rights requirements detailed in the OECD Guidelines for MNCs. Individuals within SEA have also participated in formal human rights training provided by Human Rights Education Associates (www.HREA.org). Topical training is also given. For example earlier in 2016, all members of SEA's Asia-based labour monitoring programme received updates and training on modern slavery issues from an ex- UN trafficking expert.
Lock 1 Requirement	AG - Relevant managers and workers include at least procurement. AP - Relevant managers and workers include at least procurement. EX - Relevant managers and workers include at least all of the Company's security personnel (employed or contracted).	Colleagues in our internal product Sourcing teams and in the Sourcing teams of our Licensees and Agents are provided training by SEA on our Workplace Standards and supporting Employment, Health & Safety and Environmental Guidelines. Such training is incorporated into the company's training academies. Other tailored rights training has been provided for our procurement staff and managers. In 2017, for example over 1000 employees covering supply chain operations & procurement received a training video on the UK Modern Slavery Act 2015 and a review of our commitment and approach in this area. During the course of 2018, all supply chain interfacing employees (including procurement) will have to undergo a mandatory online training on human rights including forced labour and modern slavery.
Score 2 Requirement	The Company meets both of the requirements under Score 1.	See responses above
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.1.6 Monitoring and corrective actions	
Indicator description	<p>"The Company monitors the implementation of its human rights policy commitment(s) across its operations and business relationships and follows up on corrective actions and necessary changes to policies or processes.</p> <p>Note 1: In order to get any Score under this indicator, the human rights policy commitment must include the ILO core labour standards at a minimum. [See full note at B.1.4.a above]</p> <p>Note 2: Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company's actions: B.1.6 (which is in section B.1 on management systems) is about the company's systemic approach to on-going monitoring and follow up on policy implementation whilst B.2.3 (which is in section B.2 on Human Rights Due Diligence) is about a specific step in the human rights due diligence process in addressing salient (or other) human rights impacts."</p>	
Score 1 Requirement	The Company describes how it monitors its implementation of its human rights policy commitment(s), which include the ILO core labour standards at a minimum, which covers the Company globally and relevant business relationships.	<p>For our direct supply chain we have social and environmental KPIs that assess the effectiveness of our suppliers' management systems to protect labour rights, worker safety and the environment.</p> <p>For our licensee partners and agents that manage our indirect supply chain, we use a score card, that evaluates and score's a business entities performance in applying our Workplace Standards and associated guidelines.</p> <p>All audits conducted in our supply chain are visible to us through the Fair Factory Clearinghouse (FFC) database. We are a founding member of the FFC, which promotes the sharing of social compliance, environmental and safety audits among global brands. See http://www.fairfactories.org SEA reports monthly to the Executive Management, highlighting critical issues, investigations and remedial efforts in relation to individual factories and other country-specific cases for our direct and indirect supply chains, as well as our materials supply chain. This is the primary vehicle through which human rights concerns are shared with senior management. We are a founding member of the Fair Labor Association (FLA) a US not-for-profit which periodically reviews and provides accreditation of our social compliance programme, using the FLA Charter and Code of Conduct as its benchmark. The FLA code of conduct has been independently reviewed by Shift, another US not-for-profit, to ensure alignment with the UN Guiding Principles.</p> <p>A description of our supply chain monitoring approach is given here https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/uberwachung/</p> <p>For our own operations and facilities we have staff in our Facilities and Human Resource Management teams and on-site medical staff who conduct regular assessment and evaluation of the business performance with respect to employee safety, wellbeing and labour/human rights. See the following link regarding Employee programs which are the subject of monitoring and reporting to the Executive Management, our employees' own Works Council and to the Supervisory Board - see https://www.adidas-group.com/en/sustainability/people/employees/ This link covers safety (including store inspections), wellbeing, major incident reporting, inclusion, complaints management, etc.</p>
Lock 1 Requirement	AG - The description includes how it monitors its suppliers OR how it uses third party/external monitors or auditors. AP - The description includes how it monitors its suppliers OR how it uses third party/external monitors or auditors. EX - The description includes how it monitors its extractive business partners OR how it uses third party/external monitors or community auditors.	See response above
Score 2 Requirement	The Company also describes its corrective action process(es) and numbers of incidence AND provides an example of its corrective action process(es) in practice.	<p>For our direct supply chain, where Social and Environmental Affairs (SEA) monitoring staff identify gaps in our suppliers' management systems or specific non-compliance issues, suppliers are required to develop corrective action plans to address them in a sustainable manner within a set period of time. SEA team members closely monitor the development and implementation of these corrective action plans through follow-up audits and record progress, and verification status in the Fair Factories Clearinghouse (FFC) database. See a full explanation of our MONITORING approach here: https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/uberwachung/</p> <p>Published examples of the types of issues we track and remedy in our supply chains is given in the FLA corrective action Tracking Charts, which form part of an independent assurance process for our human and labour rights monitoring programme. See: http://www.fairlabor.org/transparency/tracking-charts</p> <p>For our licensee partners and agents that manage our indirect supply chain, SEA team members use annual report cards to identify gaps in the business entities' practices and performance in applying our Workplace Standards and associated guidelines. Corrective Action Items are jointly developed to bridge those gaps.</p> <p>Indirect supply chain factories that are working with our licensees and agents are audited by External Monitors (EM). These EMs are assessed and approved by adidas in order to ensure consistent application of our standards. Audits are conducted, at a minimum, of once every 12 months or more frequently when additional follow up assessments are required to monitor progress against corrective action plans.</p>

<p>Lock 2 Requirement</p>	<p>AG - The description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.</p> <p>AP - The description meets both of the requirements under Score 1 AND includes a description of the proportion of the supply chain monitored.</p> <p>EX - The description meets both of the requirements under Score 1 AND includes a description of the proportion of those extractive business partners mentioned.</p>	<p>See above description of our supply chain monitoring approach for labour and human rights. The details of our auditing coverage, including the percentage of suppliers which have been subject to annual audits, is given in the Performance section of our annual Sustainability Progress Reports. See, for example, page 96 in our 2017 report here: https://report.adidas-group.com/media/pdf/EN/adidas_AR_2017_GroupMgmtReport_EN.pdf</p> <p>All factories which are publicly disclosed fall within our monitoring coverage. Supplier lists can be found at: https://www.adidas-group.com/en/sustainability/compliance/supply-chain-structure/</p>
<p style="text-align: center;">CHRB REQUIREMENT DETAILS</p>		<p style="text-align: center;">COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>B.1.7 Engaging business relationships</p>	
<p>Indicator description</p>	<p>The Company takes human rights considerations into account when deciding to engage (or terminate) business relationships.</p> <p>Note: Indicators D.1.2 and D.2.2 are related to indicator B.1.7 but focus on different aspects of human rights impacts in supply chains. D.1.2 and D.2.2 focus on how the company's actions can impact human rights in the supply chain whilst B.1.7 is about how the suppliers' actions (should) influence the company's acts.</p>	
<p>Score 1 Requirement</p>	<p>The Company describes how human rights performance is taken into account in</p> <ul style="list-style-type: none"> - the identification and selection of potential business relationships OR - decisions to renew, expand or terminate business relationships. 	<p>Human Rights are embedded into adidas' Workplace Standards. Our Workplace Standards and supporting guidelines on employment, health & safety, and environment are integral part of all agreements with our suppliers, agents, and licensees. Prior to being approved for production all new suppliers are required to undergo an assessment, known as an SEA Initial Assessment (IA). This process is described in detail under the header WORKING WITH SUPPLIERS in our corporate website at https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/zusammenarbeit-mit-zulieferern/</p> <p>If serious breaches of the Workplace Standards are identified in a new supplier, they are not authorized to begin manufacturing of adidas products until they have demonstrated comprehensive and sustainable remediation of the issues. See our Sustainability Progress Reports, for example, the rejection rates from our initial screening through IA's and the types of non-compliance issues commonly found in our Initial Assessments. See for example pages 97 and 99 of our 2017 report here: https://report.adidas-group.com/media/pdf/EN/adidas_AR_2017_GroupMgmtReport_EN.pdf</p> <p>In order to maintain their status and their business relationship with adidas, existing approved suppliers must demonstrate ongoing compliance with the Workplace Standards. This is assessed via annual Performance Audits. The results of these assessments are incorporated into rating tools used by adidas sourcing teams. They help to determine strategic suppliers and influence sourcing decisions based on social (i.e. Labour and human rights) and environmental KPI performance. It is important for our key business partners to understand how their social and environmental KPI score impacts the business relationship. This transparency and integration with sourcing decisions is fundamental to the success of our efforts to drive improvements in workplace conditions. See data on KPI scores in our 2017 Sustainability Report at p.96 https://report.adidas-group.com/media/pdf/EN/adidas_AR_2017_GroupMgmtReport_EN.pdf</p>
		<p>When a supplier repeatedly fails to meet our Workplace Standards, we apply the sanctions as outlined in our Enforcement Guidelines, which can ultimately result in the termination of the business relationship https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/#/workplace-standards-supporting-guidelines/ These sanctions include; stop-work notices, third-party investigations, warning letters, reviewing orders, and the commissioning of special projects to remedy particular compliance problems.</p> <p>In all cases of terminations, whether for compliance or purely business reasons, adidas has also developed ethical termination guidelines taking into account human rights considerations https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/#/workplace-standards-supporting-guidelines/</p> <p>Licensees are also assessed for their performance on implementing the Workplace Standards in their supply chains through the development of annual Strategic Compliance Plans & Report Cards.</p>
<p>Lock 1 Requirement</p>	<p>AG - This must include suppliers.</p> <p>AP - This must include suppliers.</p> <p>EX - This must include business partners</p>	<p>See above response which includes suppliers</p>
<p>Score 2 Requirement</p>	<p>The Company meets both the requirements under Score 1 AND describes how it works with business relationships to improve human rights performance and provides an example.</p>	<p>In order to maintain their status and their business relationship with adidas, existing approved suppliers must demonstrate ongoing compliance with the Workplace Standards. This is assessed via annual Performance Audits. The results of these assessments are incorporated into rating tools used by adidas sourcing teams. They help to determine strategic suppliers and influence sourcing decisions based on social (i.e. Labour and human rights) and environmental KPI performance. It is important for our key business partners to understand how their social and environmental KPI score impacts the business relationship. This transparency and integration with sourcing decisions is fundamental to the success of our efforts to drive improvements in workplace conditions. We have a dedicated team of staff within SEA whose primary focus is on improving working conditions, labour and human rights within the supplier factories. This work is conducted on a daily basis and includes specialist advice on human resource management and occupational health and safety. Specifically on worker rights, in recent years adidas has been running worker empowerment programmes with our suppliers to support and strengthen supervisor skills and worker management communication. See this example described in our 2016 Sustainability Report at pages 40-41 see https://www.adidas-group.com/media/tiler_public/08/7b/087bf055-d8d1-43e3-8adc-7672f2760d9b/2016_adidas_sustainability_progress_report.pdf</p>
<p>Lock 2 Requirement</p>	<p>AG - This must include suppliers.</p> <p>AP - This must include suppliers.</p> <p>EX - This must include business partners.</p>	<p>See above response which includes suppliers</p>
<p style="text-align: center;">CHRB REQUIREMENT DETAILS</p>		<p style="text-align: center;">COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>B.1.8 Approach to engagement with potentially affected stakeholders</p>	
<p>Indicator description</p>	<p>The Company has an approach to engaging with affected stakeholders on a regular basis. In doing so, it identifies affected and potentially affected stakeholders and engages in regular dialogue on human rights issues with them and organisations representing them. It also pays particular attention to those at heightened risk of vulnerability or marginalisation and prohibits bribes or other favours that may divide communities. To facilitate informed engagement, the Company provides meaningful information in accessible formats and languages</p>	

<p>Score 1 Requirement</p>	<p>The Company describes how it has identified, and engaged with affected and potentially affected stakeholders in the last two years AND it describes the frequency and triggers for engagement on human rights issues (for example by type or by stakeholder group).</p>	<p>Stakeholder engagement is conducted at many levels, including directly with vulnerable groups and with workers in the global supply chain. We are in regular contact with a very diverse range of stakeholders, which informs the development of our labour and human rights programme. The number of stakeholders is large and includes local and international NGOs, labour rights advocacy groups, human rights advocacy groups, trade unions, investors, SRI analysts, national and international government agencies, and academics. This is subject to change periodically, for example due to specific issues or trends. 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. Using this feedback, we prioritise stakeholders based on criteria such as action radius, relevance, risk, willingness and capacity to engage. We also consider appropriate representation of different stakeholder groups. The prioritisation may change depending on the issue. See an updated version of Stakeholder Engagement and Guidelines at https://www.adidas-group.com/en/sustainability/managing-sustainability/partnership-approach/#/2001/2006/richtlinien-zum-umgang-mit-stakeholdern/ Also refer our 2016 edition of the Stakeholder Relations Guidelines. The frequency of dialogue can range from monthly, to quarterly, to annually. At an operational level, stakeholder engagement in the past 2 years has focused on six critical areas (1) quarterly engagement with labour and international human rights advocacy groups on civic freedoms. We have joined a NGO-business coalition to tackle curbs on civil society activities, especially by governments, and have supported with advocacy and by sharing our experience, policies and approach towards Human Rights Defenders (HRDs); see, for example, https://www.business-humanrights.org/en/in-depth-with-william-anderson-of-adidas Our outreach has included engagement with the UN Special Rapporteur on HRDs and the Dutch and US governments on this topic (2) monthly engagement with workers through the development of Worker Satisfaction surveys on factory working conditions (3) bi-monthly engagement with the Fair Labor Association and its members, which includes all US university colleges and labour advocacy NGOs, (4) quarterly engagement with FIFA and critical stakeholder groups, such as the Sport and Rights Alliance, which includes Amnesty International, Football Supporters Europe, Human Rights Watch, the International Trade Union Confederation, Terre des Hommes, and Transparency International Germany.; (5) quarterly engagement with UNICEF over protecting children's rights, including the on-the-ground engagement with suppliers in Vietnam nominated to participate in this programme. See https://www.unicef.org/vietnam/media_27215.html (6) engagement with the Bali Process Business and Government Forum to tackle modern slavery and trafficking in the Indo-Pacific regions, which has required outreach to anti-slavery groups such Walk Free Foundation, as well as national governments see: https://www.huffingtonpost.com/entry/bali-process-brings-business-and-government-together_us_599d0bf9e4b056057bddcf7a</p> <p>Other vehicles for stakeholder engagement include purpose-built fora, such as the FOA Protocol, which allows for quarterly engagement between adidas, our suppliers and Indonesia's main trade unions over working conditions and representational rights. See: http://www.swedwatch.org/en/publication/report/play-fair-a-campaign-for-decent-sportswear/ our membership of the Bangladesh Accord; our presence on the OECD Advisory Panel for embedding of Business & Human Rights Due Diligence practices into the Apparel and Footwear sector; our presence on the FIFA Human Rights Advisory Board; and our participation in the Sporting Chance Forum to address human rights impacts of Mega Sporting Events through the establishment of a human rights centre See: http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_606707/lang--en/index.htm</p>
<p>Lock 1 Requirement</p>	<p>AG - The engagement includes workers or local communities in its supply chain. AP - The engagement includes workers or local communities in its supply chain. EX - The engagement includes workers amongst its extractive business partners or local communities.</p>	<p>At a local level we have continuous engagement with workers and especially women workers that dominate our supply chain, to understand their needs and issues. Such engagement takes place through on-site and off-site interviews, either directly using our field staff or, at times, through third party NGOs. For example since 2001 we have engaged Phulki a women's rights NGO in Bangladesh, to interview female workers each month and provide us with candid feedback on their working conditions, issues and aspirations. See: http://www.phulkibd.org/projectdetails.php?id=8 We have partnered with Labor Voices to secure worker feedback in Turkey and we have progressively rolled out a Worker Satisfaction Survey to canvas the views and obtained structured feedback from workers in our core supply chain.</p>
<p>Score 2 Requirement</p>	<p>The Company also provides a summary analysis of the input/views given by the stakeholders on human rights issues and how the Company took those views into account.</p>	<p>See here for a summary analysis of the input/views given by the stakeholders on human rights issues and how these views are taken into consideration https://www.adidas-group.com/media/filer_public/d3/07/d307bf6e-7175-4122-9411-60a5169da977/2017_2018_cross_section_of_stakeholder_feedback.pdf</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR</p>	<p>B.2.1 Identifying: Processes and triggers for identifying human rights risks and impacts</p>	
<p>Indicator description</p>	<p>The Company proactively assesses its human rights risks and impacts on an on-going basis, including when these are triggered by key moments of the Company's activities (e.g. policy change, market entry, new projects, amongst others).</p> <p>Note: If a company has a clear global system of the type described in the criteria, then it can be assumed that it operates in each particular location. As such, by complying with all criteria in score 2, a company is automatically assumed to achieved a score 1</p>	
<p>Score 1 Requirement</p>	<p>The Company describes the process(es) to identify its human rights risks and impacts in specific locations or activities, covering its own operations (i.e. impacts that it may cause or contribute to) as well as through relevant business relationships.</p>	<p>Human rights risks are managed through a layered process which includes high level Operational Reviews of potential adverse impacts on rights-holders, specific Country Risk Appraisals, supply chain compliance monitoring (both our direct and indirect supply chain), independent assurance by partner organizations (for example the Fair Labor Association programme evaluation and unannounced audits) and focused reviews or engagements, that reflect stakeholder concerns or new market entry situations.</p> <p>Operational Reviews (ORs) - human rights risk mapping, which seeks to identify potential adverse human rights impacts arising from company-wide policies and business practices. The ORs examine both day-to-day operations, as well as broader supply chain impacts. They are managed by our in-house human rights counsel. Where issues are identified, this triggers a deeper engagement with the responsible department(s) and outreach to external stakeholders to build a fuller picture, and to identify appropriate follow-up actions.</p> <p>For example, the results of the 2013-4 Operational Review triggered our 2015 London Stakeholder Dialogue. This is explained further in the Briefing Note in Appendix 3 of the published stakeholder report, see http://www.adidas-group.com/media/filer_public/ce/65/ce650eaa-fa88-4ab8-aa38-0e323e158714/adidas_stakeholderdialogue_july2015_final.pdf</p> <p>The ORs are internal documents; they are not published.</p> <p>Country Risk Assessments (CRAs) - completed annually, these CRAs include a review of salient human rights issues at a national level, they incorporate local stakeholder feedback and reference available published information from government and non-government sources, such as ILO reports, US State Department Human Rights Country Reports, etc. These assessments inform work priorities and guide prevention and mitigation strategies, especially in relation to our supply chain compliance monitoring. These are internal documents and are not publicly disclosed.</p>
		<p>Compliance Monitoring (CM) - key industry risks such as child labour, excessive hours, forced labour, freedom of association, health and safety, and women's rights are already deeply embedded in our monitoring programme, which seeks to uphold our Workplace Standards and supporting policies and guidelines which have been built around human rights norms and international labour standards. Our supply chain monitoring includes direct auditing, worker feedback mechanisms, partnerships with external organizations (such as ILO Better Work, the Bangladesh Safety Accord, Fair Labor Association, etc.) and stakeholder outreach, including close engagement with government regulators and civil society groups at a country level. The results of our compliance monitoring efforts are publicly disclosed. For more information see https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/uberwachung/</p> <p>Human rights risks are managed through a layered process which includes high level Operational Reviews of potential adverse impacts on rights-holders, specific Country Risk Appraisals, supply chain compliance monitoring (both our direct and indirect supply chain), independent assurance by partner Operational-level grievance mechanisms are available internally to flag issues related to any ethical breach, which is managed by Group Legal & Compliance through our 'Fair Play' Code of Conduct, see: http://www.adidas-group.com/media/filer_public/21/5e/215e4b6c-0dbc-423f-a4b8-a354e1b16a64/coc_english_2014.pdf or is a matter handled by the Group's Privacy Officer, or an employment concern addressed through Group Human Resources.</p> <p>In summary, adidas is examining human rights risks on more or less a continuous basis and relying on feedback and engagement with our stakeholders to inform our risk evaluation, whether this is inputting to our annual country risk appraisal, or tailored engagements with specific stakeholder groups (for example on Mega Sporting Events), or with the investor community, or on or off-site worker interviews, or engagement with government agencies on human rights topics. These are all material consideration in our human rights risk assessments.</p>
<p>Lock 1 Requirement</p>	<p>AG - Relevant business relationships include its supply chain. AP - Relevant business relationships include its supply chain. EX - Relevant business relationships include extractive business partners.</p>	<p>See above description of our human rights risk identification, which includes supply chain relationships</p>

Score 2 Requirement	The Company also describes the global systems in place to identify its human rights risks and impacts on a regular basis across its activities, in consultation with affected or potentially affected stakeholders and internal or independent external human rights experts. This includes how the systems are triggered by new country operations, new business relationships or changes in the human rights context in particular locations.	See response to Score 1 for our general approach. In those cases where we plan to enter a new sourcing country, additional in-depth assessments may be warranted, as took place prior to production commencing in Myanmar. A focused review was conducted to evaluate human rights and socio-political issues and risks. The process ran for 2 years and involved extensive engagement with key stakeholders, and resulted in the adoption of new tools and approaches to prevent harm to rights-holders, particularly over land rights. See http://blog.adidas-group.com/2015/02/made-in-myanmar/ For new supplier relationships we have a well-developed pre-screening tool which we call Initial Assessments (IAs). Through IAs we evaluate prospective suppliers against a set of Zero Tolerance Issues and Threshold Issues. The general findings from our IAs is published in our annual Sustainability Progress Reports and can also be viewed under the header 'Dealing with Non-Compliances' at https://www.adidas-group.com/en/sustainability/compliance/supply-chain-approach/#/uberwachung/ We are active across many fora, with many different stakeholders, whose views shape and inform our consideration of risks and impacts, nationally and internationally. For example, the FIDA Protocol, which allows for quarterly engagement between adidas, our suppliers and Indonesia's main trade unions over working conditions and representational rights. See: http://www.swedwatch.org/en/publication/report/play-fair-a-campaign-for-decent-sportswear/ our membership of the Bangladesh Accord, which considers health and safety; our presence on the OECD Advisory Panel for embedding of Business & Human Rights Due Diligence practices into the Apparel and Footwear sector; our presence on the FIFA Human Rights Advisory Board; and our participation in the Sporting Chance Forum to address human rights impacts of Mega Sporting Events through the establishment of a human rights centre, see: http://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_606707/lang--en/index.htm
Lock 2 Requirement	AG - The description includes an explanation of when human rights impact assessments (HRIAs) or environmental and social impact assessments (ESIAs) including human rights are/will be carried out. EX - The description includes an explanation of when human rights impact assessments (HRIAs) or environmental and social impact assessments (ESIAs) that include human rights are/will be carried out.	
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.2.2 Assessing: Assessment of risks and impacts identified (salient risks and key industry risks)	
Indicator description	Having identified its human rights risks and impacts, the Company assesses them and then prioritises its salient human rights risks and impacts.	
Score 1 Requirement	The Company describes its process(es) for assessing its human rights risks and what it considers to be its salient human rights issues. This description includes how relevant factors are taken into account, such as geographical, economic, social and other factors OR publicly discloses the results of the assessments, which may be aggregated across its operations and locations.	See response to B2.1 above, regarding our assessment of human rights risks, the use of Country Risk Assessments and Compliance Monitoring. Through our periodic operational reviews and stakeholder engagement the following have been highlighted as salient human rights risks: freedom of association & collective bargaining, working hours, safety & health, fair wages, child labour, forced labour, resource consumption, water (including chemical management), access to grievance mechanisms, diversity, mega sporting events, procurement, ethics and data protection & privacy. These salient issues are listed on the Human Rights landing page of the adidas corporate website. See https://www.adidas-group.com/en/sustainability/compliance/human-rights/ . In terms of validation, it should be noted that 8 of the aforementioned adidas-identified salient issues also feature in the <i>OECD Guideline on Responsible Supply Chains in the Garment and Footwear Industry</i> http://mnguidelines.oecd.org/oecd-due-diligence-guidance-garment-footwear.pdf as potential adverse human rights risk areas for the industry.
Score 2 Requirement	The Company meets both the requirements under Score 1.	
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.2.3 Integrating and Acting: Integrating assessment findings internally and taking appropriate action	
Indicator description	The Company integrates the findings of its assessments of human rights risks and impacts into relevant internal functions and processes by taking appropriate actions to prevent, mitigate or remediate its salient human rights issues. Note: Indicators B.1.6 and B.2.3 are related but focus on different dimensions of a company's actions: B.1.6 (which is in section B.1 on management systems) is about the company's systemic approach to on-going monitoring and follow up on policy implementation whilst B.2.3 (which is in section B.2 on Human Rights Due Diligence) is about a specific step in the human rights due diligence process in addressing salient human rights impacts.	
Score 1 Requirement	The Company describes its global system to take action to prevent, mitigate or remediate its salient human rights issues OR provides an example of the specific conclusions reached and actions taken or to be taken on at least one of its salient human rights issues as a result of assessment processes in at least one of its activities/operations.	adidas is in a continuous process of engagement, assessment and feedback on salient issues – both within our business and with our external stakeholders - the findings feed into our active programmes and drive specific prevention and mitigations measures. This is best explained through several examples. <i>Supply Chain:</i> For our direct supply chain we have social and environmental KPIs that assess the effectiveness of our suppliers' management systems to protect labour rights, worker safety and the environment. For our licensee partners and agents that manage our indirect supply chain, we use a score card, that evaluates and score's a business entities performance in applying our Workplace Standards and associated guidelines. All audits conducted in our supply chain are visible to us through the Fair Factory Clearinghouse (FFC) database. We are a founding member of the FFC, which promotes the sharing of social compliance, environmental and safety audits among global brands. At the end of each month, SEA reports to the Executive Management, highlighting critical issues, investigations and remedial efforts in relation to individual factories and other country-specific cases for our direct and indirect supply chains, as well as our materials supply chain. This is the primary vehicle through which human rights concerns are shared with senior management and reported progress is tracked. Ours is a continuous learning process, one where critical reviews are conducted to inform and improve our processes and approach. For example, we are a founding member of the Fair Labor Association, a US not-for-profit which periodically reviews and provides accreditation of our social compliance programme, using the FLA Charter and Code of Conduct as its benchmark. <u>The FLA code of conduct has been independently reviewed by Shift, another US not-for-profit, to ensure alignment with the UN Guiding Principles.</u> We have followed a similar review process to drive improvements through a score card system for our own licensees, which are contractually obligated to create compliance programmes that mirror our in-house system for all of their suppliers. See 'Closing the Gap on Licensee performance' at http://www.adidas-group.com/media/filer_public/e8/32/e832823b-8585-4e26-8990-07b80e3ae71c/2014_sustainability_report_make_a_difference.pdf <i>Operations:</i> In 2013 we conducted an operational review to identify potential adverse human rights impacts arising out of our general business operations. This was independent of our long-established and mature supply chain work, which is described elsewhere in this submission. The operational review highlighted three areas for further investigation and engagement from a human rights perspective: our role as a sponsor on mega sporting events; local procurement practices (outside of our product supply chain work); and data (protection), privacy and social media, given the expansion of our e-commerce offering as a company. With respect to the first topic, we immediately followed up by running a stakeholder dialogue to canvas views on the responsibilities of sponsors with respect to the adverse human rights impacts of mega sporting events. See http://www.adidas-group.com/media/filer_public/ce/65/ce650eaa-fa88-4ab8-aa38-0e323e158714/adidas_stakeholderdialogue_july2015_final.pdf In parallel with this we also began a deep engagement with FIFA and with concerned NGOs (such as Transparency International, Amnesty International and the International Trade Union Confederation) over the handling of human rights impacts associated with upcoming football World Cup events, including those planned for Russia in 2018 and Qatar in 2022. At the executive Board level, we supported and promoted an independent review of FIFA activities by John Ruggie, former UN Secretary-General's Special Representative for Business and Human Rights, and supported FIFA with advice on corporate practices related to human rights due diligence. This in turn led to the appointment of our in-house human rights counsel to an independent human rights advisory board established by FIFA in March 2017, see: https://business-humanrights.org/en/fifa-human-rights-advisory-board as well as periodic (quarterly) review meetings between FIFA and its corporate sponsors, including adidas. Complementing these activities we have also been active on-the-ground in countries such as Qatar, to evaluate the situation and engage with local stakeholders, including the government.

		In 2016 adidas partnered with other sponsors, concerned NGOs and the Institute for Business and Human Rights (IHRB) to explore the possibilities of developing a credible and independent centre which will guide and advise sports bodies and host governments on the human rights impacts of sporting events. The goal being to secure a positive legacy for local communities. See https://www.ihrb.org/megasportingevents/mse-about . These efforts and engagement continue, and in the past year we have participated in a work stream to improve human rights due diligence by sponsors, as they enter into commercial sponsorships with sports bodies. See pages 16-17 https://www.ihrb.org/uploads/meeting-reports/Sporting_Chance_Forum_Meeting_Report_2017.pdf and this white paper: https://www.ihrb.org/uploads/reports/MSE_Platform%2C_Sponsors_and_Human_Rights_in_the_Sports_Context%2C_Jan_2017.pdf .
Lock 1 Requirement	AG - This includes describing how its global system to take action to prevent, mitigate or remediate its salient human rights issues applies to its supply chain. AP - This includes describing how its global system to take action to prevent, mitigate or remediate its salient human rights issues applies to its supply chain. EX - This includes describing how its global system to take action to prevent, mitigate or remediate its salient human rights issues applies to extractive business partners.	See description above on supply chain processes and the management of salient human rights
Score 2 Requirement	The Company meets both of the requirements under Score 1.	See information disclosed above
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.2.4 Tracking: Monitoring and evaluating the effectiveness of actions to respond to human rights risks and impacts	
Indicator description	The Company tracks and evaluates the effectiveness of actions taken in response to its human rights risks and impacts and describes how it uses that information to improve processes and systems on an ongoing basis.	
Score 1 Requirement	The Company describes the system(s) for tracking the actions taken in response to human rights risks and impacts assessed and for evaluating whether the actions have been effective or have missed key issues or not produced the desired results OR provides an example of the lessons learned while tracking the effectiveness of its actions on at least one of its salient human rights issues as a result of the due diligence process.	<p>SEA monitors and reports human and labour rights risks, and takes actions accordingly:</p> <ul style="list-style-type: none"> • Country Level Risk Assessment: Country Profiles • Business Entity Level Risk Assessments: Business Entity Strategic Compliance Plan and Report Cards • Factory Level Risk Assessments: Regular audits, KPI Assessments, factory risk rating analysis, Strategic Compliance Plans • Crisis Protocol: Used by Business Entities and factories to report on the details on high risk issues • Monthly Reporting: to executive management within adidas • Grievance Mechanism: Workers and other parties can reach SEA through Hotline Posters, and Third Party Grievance Mechanisms <p>Taking our Supply Chain monitoring as an example: For our direct supply chain we have social and environmental KPIs that assess the effectiveness of our suppliers' management systems to protect labour rights, worker safety and the environment. For our licensee partners and agents that manage our indirect supply chain, we use a score card, that evaluates and score's a business entities performance in applying our Workplace Standards and associated guidelines. All audits conducted in our supply chain are visible to us through the Fair Factory Clearinghouse (FFC) database. We are a founding member of the FFC, which promotes the sharing of social compliance, environmental and safety audits among global brands. At the end of each month, SEA reports to the Executive Management, highlighting critical issues, investigations and remedial efforts in relation to individual factories and other country-specific cases for our direct and indirect supply chains, as well as our materials supply chain. This is the primary vehicle through which human rights concerns are shared with senior management.</p> <p>Ours is a continuous learning process, one where critical reviews are conducted to inform and improve our processes and approach. For example, we are a founding member of the Fair Labor Association, a US not-for-profit which periodically reviews and provides accreditation of our social compliance programme, using the FLA Charter and Code of Conduct as its benchmark. The FLA code of conduct has been independently reviewed by Shift, another US not-for-profit, to ensure alignment with the UN Guiding Principles.</p> <p>We have followed a similar review process to drive improvements through a score card system for our own licensees, which are contractually obligated to create compliance programmes that mirror our in-house system. See 'Closing the Gap on Licensee performance' at http://www.adidas-group.com/media/filer_public/e8/32/e832823b-8585-4e26-8990-07b80e3ae71c/2014_sustainability_report_make_a_difference.pdf Although we have established systems and practices that address human and labour rights concerns, as well as environmental and chemical safety, risks can still occur, and we manage them on a case-by-case basis.</p> <p>We continue to identify, track and respond to new issues and risks as they arise, both at a country level and as a matter of general practice. For example we have extended our due diligence efforts to tackle land rights issues, as a result of our pre-approval work for the development of Myanmar as a new sourcing country. See http://blog.adidas-group.com/2015/02/made-in-myanmar/</p> <p>The effectiveness of our systems are measured and checked in two ways, one externally and the other internally. adidas' social compliance program is subject to ongoing and annual third party audits and public disclosure of tracking charts by the Fair Labor Association, to determine whether supplier-level remediation is being effectively managed by adidas. And at programmatic level, the Fair Labor Association also undertakes a periodic accreditation process - evaluating all elements of our labour and human rights work. In October 2017, our program was re-accredited for the second time. See http://www.fairlabor.org/sites/default/files/documents/reports/adidas_reaccreditation_assessment_october_2017.pdf adidas' Internal Audit team - which reports directly to the CEO and the Supervisory Board - also conducts periodic assessments to evaluate the effectiveness of individual departments and programs, with defined timelines for corrective actions. In 2016 adidas' corporate Internal Audit team evaluated the Social & Environmental Affairs program and the effectiveness of our social compliance monitoring system and human rights due diligence processes and their alignment with policy commitments. The assessment considered social and environmental audit coverage, alignment with the Workplace Standards, the efficacy of our audit reporting, our effectiveness in tracking supplier remedial actions and verification mechanisms. Corrective Action Plans issued by the Internal Audit are independently tracked and reported to the Board.</p> <p>Building on our experience with the Bangladesh Accord on Fire and Building Safety, in 2014 we launched a fire risk assessment tool to map the fire and safety risk in our global supply chain, especially high-rise structures. We continue to track improvements in fire safety in our supplier facilities, identifying improvements and monitoring remedial efforts. Another useful example, one that tracks our experience in protecting the rights of the child and women's rights over the span of nearly 20 years in Pakistan, is given in the publication Joining the Dialogue: Vulnerable Children and Business http://www.csr-asia.com/report/Joining_the_dialogue-Vulnerable_children_and_business.pdf See case study at pages 44-49. The primary lessons learned were this: the unintended consequence of industrializing the cottage industry which deprived women work opportunities given the cultural and religious norms of the country, the value of the follow-up research from UNICEF in this regards, which showed that women working provided a direct and positive impact on child wellbeing and access to education. This in turn helped shape our support for the establishment of women's stitching centres, and nurseries to enable women to work, which complimented our efforts through the funding of school infrastructure in the community.</p>
Score 2 Requirement	The Company meets both of the requirements under Score 1.	See response above
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	B.2.5 Communicating: Accounting for how human rights impacts are addressed	
Indicator description	The Company communicates externally how it addresses its human rights impacts in a manner that is accessible to its intended audiences, especially affected stakeholders who have raised concerns, providing enough information to evaluate the adequacy of the response(s) and does not pose risks to affected stakeholders or personnel. This communication is distinct from engagement with potentially affected stakeholders for the purposes of assessing or addressing impacts (See also Indicators B.1.8, B.2.1 and B.2.2)	

Score 1 Requirement	<p>The Company describes how it communicates externally about its human rights impacts and how effective it has been in addressing those impacts (i.e. through the steps described in B.2.1 to B.2.4).</p>	<p>We have multiple channels for communicating our human rights impacts, policies and approaches, including our annual Sustainability Progress Report, individual stakeholder meetings and correspondence, structured stakeholder dialogues, collaborative engagements with NGO, multi-stakeholder and partner organizations, one-on-one worker interviews and meetings, etc. We also make use of FAQs and blogs, as an accessible way for the public and our internal staff, to understand our human rights work and specific programme initiatives related to worker rights, safety and the environment. See, for example, http://blog.adidas-group.com/2014/12/embedding-human-rights-into-business-practices/ and http://www.adidas-group.com/media/filer_public/2013/11/14/human_rights_responsible_business_practices_qa_july_2011_en.pdf</p> <p>Whenever we have issues which are impacting a specific stakeholder group, we will work intensively to ensure those concerns are addressed and the appropriate prevention or mitigation is applied. See earlier example on assessing and developing an appropriate response to concerns over the human rights impacts of mega sporting events, which has included extensive dialogue and communications to concerned stakeholder groups. See our response to Section B.2.3 of this submission.</p> <p>To ensure clear and effective communications with local stakeholders, affected communities and other vulnerable groups, the SEA department has embedded local staff in all key sourcing countries. The team operates in 18 languages, but will also employ translators where needed for special investigations, stakeholder outreach or communicating outcomes or mechanisms to improve human rights impacts. For example, we have contracted Arabic translators in Turkey to support our communications with Syrian refugees at risk of exploitation in the supply chain.</p>
		<p>Communications and issues management are developed from the bottom up, through regular monitoring activities (on and off-site worker engagement) and operational complaint mechanisms, where correspondence will be in the local language. In those cases where complainants are literate, phone calls and direct face-to-face meetings will be used to capture issues and provide feedback. Higher level summaries of remedial efforts and outcomes related to adverse human rights impacts, especially where international NGOs are involved, will normally be in English. See for example the annual publication of the status and resolution of complaints received through our Grievance Mechanism http://www.adidas-group.com/media/filer_public/38/e3/38e3dc79-3e7d-4613-b636-dcfc7fe8dd91/summary_of_human_rights_complaints_handled_by_the_adidas_group_2015.pdf For our investors and the 3A community (Analysts, Academics and Activists) often communications will be bi-lingual, in English and German. This is the case for our annual Sustainability Progress Reporting. Based on engagement and feedback from stakeholders, we have, over the past 20 years, defined the appropriate level of communications needed for a given target audience. Some require formal communications, a written account, etc., and others more informal channels, or personalized engagement. As well as communicating actions and outcomes, it is critical that affected groups understand that as corporation we engage and listen, have empathy, understanding and ultimately are solutions-oriented.</p> <p>For example, we have very tailored communication strategies for local stakeholders such as trade unions and workers. Based on our compliance audit findings and observations, it is our standard protocol that our local monitoring staff engage with the factory-level trade union officials or relevant worker representatives to cross check issues and discuss the necessary remedial actions that the supplier has to follow-up on. This protocol is written into our Audit Manual. See here: https://www.adidas-group.com/media/filer_public/64/5f/645f81a2-961c-459c-abb0-0c7c1bf5a226/adidas_audit_manual_en.pdf</p>
Lock 1 Requirement	<p>AG - The description includes communications covering human rights impacts involving their supply chain.</p> <p>AP - The description includes communications covering human rights impacts involving their supply chain.</p> <p>EX - The description includes communications covering human rights impacts involving extractive business partners.</p>	
Score 2 Requirement	<p>The Company also describes how it has responded to specific human rights concerns raised by, or on behalf of, affected stakeholders AND how it ensures that the affected or potentially affected stakeholders and their legitimate representatives are able to access these communications.</p>	<p>At an operational level, when a labour or human rights issue is being addressed, adidas may have to involve and engage with multiple different parties over a span weeks, months or years.</p> <p>A good example would be the partial closure of a factory in Vietnam, following a fire which destroyed a warehouse and the main production area. This led to the layoff of the majority of the workforce, including pregnant workers and workers on maternity leave. In this case, the SEA department engaged directly with the laid-off workers, the factory management, government and international labour rights groups who have been tracking the lawfulness of the factory's actions. adidas has also been liaising and communicating with other brands, who are the main buyers in the downsized factory. Worker engagement was done through one-on-one discussions with the affected individuals, as was the engagement with the factory management and government officials. Communications with the international trade unions was through email correspondence and the preparation of reports and responses to specific questions and concerns. When we heard of the reported harassment and detention of local labour advocates, who were advising the laid-off workers, a formal letter was sent to the provincial government, asking that the police cease and desist from interfering from the worker's right to freely associate with human rights defenders.</p> <p>See the Yupoong Vietnam case which is included in our 2015 Summary of Third Party Complaints. See https://www.adidas-group.com/media/filer_public/34/e6/34e64ed7-ce04-448b-b0df-dd3d5de1e40/3rdpartycomplaint_system_overview_and_analysis_yr2015.pdf</p>
Measurement Theme C - Remedies and Grievance Mechanisms		
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	C.1 Grievance channel(s)/mechanism(s) to receive complaints or concerns from workers	
Indicator description	<p>The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which workers can raise complaints or concerns, including in relation to human rights issues. The channel(s)/mechanism(s) is available to all workers and takes into account accessibility by marginalised groups. The channel(s)/mechanism(s) is not used to undermine the role of legitimate trade unions in addressing labour-related disputes, nor to preclude access to judicial or other non-judicial grievance mechanisms.</p>	
Score 1 Requirement	<p>The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all workers to raise complaints or concerns related to the Company. An explicit reference to human rights is not required, but a channel/mechanism that is specifically designed to cover other topics (e.g. a corruption hotline) will need to make clear to stakeholders that it can be used for human rights concerns as well.</p> <p>We have in place a number of grievance mechanisms which complement our stakeholder engagement and other due diligence processes. For example, we have very mature grievance channel available for workers – through worker hotlines in each country, manned either by internal staff or independent NGOs, who speak the workers' local language. The hotline services have been the subject of regular reviews and assessments to understand their efficacy and value.</p> <p>We have been continuously upgrading these reporting channels and have introduced an APPS-based complaint mechanism for adoption by our suppliers. This is being progressively rolled out across our supply chain.</p> <p>Individuals, worker representatives and worker rights organizations, can also access adidas Third-Party Complaint Process which deals with labour and human rights complaints https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf as well as the independently managed FLA Third Party Complaint Process see: http://www.fairlabor.org/third-party-complaint-process</p> <p>As part of our engagement with Human Rights Watch we have taken steps to strengthen the protection of whistle-blowers and to encourage the reporting of adverse working conditions within our suppliers' factories. See 'Subcontracting and the Role of Brands' at https://www.hrw.org/report/2015/03/11/work-faster-or-get-out/labor-rights-abuses-cambodias-garment-industry</p>	

Score 2 Requirement	<p>The Company also discloses data about the practical operation of the channel(s)/mechanism(s), including the number of grievances about human rights issues filed, addressed or resolved AND indicates that the channel(s)/mechanism(s) is available in all appropriate languages.</p>	<p>We have in place a number of grievance mechanisms which complement our stakeholder engagement and other due diligence processes. For example, we have very mature grievance channel available for workers – through worker hotlines in each country, manned either by internal staff or independent NGOs, who speak the workers’ local language. The hotline services have been the subject of regular reviews and assessments to understand their efficacy and value.</p> <p>We have been continuously upgrading these reporting channels and have introduced an SMS complaint mechanism for adoption by our suppliers. This is being progressively rolled out across our supply chain and to date around 63 of our strategic suppliers in Vietnam, Indonesia and Cambodia, with the total workforce of around 290,000, have adopted the system. In 2017 we have developed an advanced grievance platform which is apps based and can offer more functions in the platform. Our plan is to have all strategic supplier’s factories to install this newly enhanced grievance digital platform in 2018. See http://blog.adidas-group.com/2013/05/marking-a-new-milestone-in-the-management-of-our-supply-chain-%E2%80%93-the-sms-worker-hotline-project/ and http://blog.adidas-group.com/2015/04/how-we-bring-factory-management-and-workers-closer-together/</p> <p>Individuals, worker representatives and worker rights organizations, can also access adidas Third-Party Complaint Process, as well as the independently managed FLA Third Party Complaint Process, see: http://www.fairlabor.org/third-party-complaint-process We publish an annual assessment of the third party complaints received, summarizing the issues and data- including the number of complaints that are resolved or open. See 2016 for example at https://www.adidas-group.com/media/filer_public/7ad/d0/7dd029ef-0a66-4027-aab1-5670a3e53861/3rdpartycomplaint_system_overview_and_analysis_yr2016.pdf</p>
Lock 2 Requirement	<p>AG - The Company also expects its suppliers to establish a channel/mechanism for workers to raise complaints or concerns, related to the supplier or their operations and to convey the same expectation to their suppliers OR those workers have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s suppliers.</p> <p>AP - The Company also expects its suppliers to establish a channel/mechanism for workers to raise complaints or concerns related to the supplier or their operations and to convey the same expectation to their suppliers OR those workers have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s suppliers.</p> <p>EX - The Company also expects its extractive business partners to establish a channel/mechanism for workers to raise complaints or concerns related to the extractives business partner or their operations and to convey the same expectations to their extractive business partners OR those workers have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s extractive business partners or their operations.</p>	<p>Suppliers are expected to develop effective worker-management systems and grievance mechanisms to address worker issues. Our Workplace Standards, which are a contractual obligation, clearly state that “Business partners must recognize and respect the right of employees to join and organize 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.” See https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf Guidance is given to suppliers in our Employment Standards Guideline on how to establish an effective complaints mechanism; see https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf</p> <p>Given their importance in upholding worker rights, effective grievance mechanisms are included as a measurable in our annual KPI assessment. In 2012 we introduce an innovative SMS-complaints mechanism platform to our suppliers which is being progressively rolled out across our supply chain (see Score 1 above). As the platform has been further advanced to become apps based which can offer multiple functions (e.g. training, survey), we actively promote our suppliers to install and utilize this platform which is rewarded as best practice in our KPI assessment.</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	C.2 Grievance channel(s)/mechanism(s) to receive complaints or concerns from external individuals and communities	
Indicator description	<p>The Company has one or more channel(s)/mechanism(s) (its own, third party or shared) through which individuals and communities who may be adversely impacted by the Company can raise complaints or concerns, including in relation to human rights issues.</p>	
Score 1 Requirement	<p>The Company indicates that it has one or more channel(s)/mechanism(s), or participates in a shared mechanism, accessible to all external individuals and communities who may be adversely impacted by the Company (or individuals or organisations acting on behalf of them or who are otherwise in a position to be aware of adverse impacts) to raise complaints or concerns, including about human rights issues related to the Company, particularly in high risk locations.</p>	<p>adidas has a well-developed Complaints Process for Breaches to adidas Workplace Standards or Violations of International Human Rights Norms. See https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c719e/adidas_group_complaint_process_november_2016.pdf 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.</p> <p>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.</p>
Score 2 Requirement	<p>The Company describes how it ensures the channel(s)/mechanism(s) is accessible to all potentially affected external stakeholders at all operations, including in local languages.</p>	<p>Our Third Party Complaint mechanism is open to all individuals and communities that may be impacted by a supplier or other business relationship linked to adidas. As explained at p.1 of our complaints procedure https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c719e/adidas_group_complaint_process_november_2016.pdf “A complaint is a report of:</p> <p>(a) a violation by a supplier, licensee, agent or contractor of an element of the Workplace Standards relevant to that supplier, contractor or service provider; or</p> <p>(b) any breach of an international human rights norm, whether related to an external service provider, supplier or to adidas’ own business operations, where these affect an outside party.”</p> <p>Moreover, as explained on p.2 of the procedure: “Any individual or organization directly affected by an issue, or an organization with a formal mandate to represent individuals or communities directly affected, can make a complaint related to adidas operations or our global supply chain. They must have access to first-hand knowledge of the circumstances of the complaint and if they are an organization, they must be viewed as a legitimate representative of those affected.”</p> <p>A summary of the procedure is posted on to our website and is available in 9 languages, representing our core sourcing countries.</p>
Lock 2 Requirement	<p>AG - The Company also expects its suppliers to establish a channel/mechanism for complaints or concerns from external individuals and communities, including about human rights issues related to the supplier or their operations and to convey the same expectation to their suppliers OR those individuals or communities have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s suppliers.</p> <p>AP - The Company also expects its suppliers to establish a channel/mechanism for complaints or concerns from external individuals and communities, including about human rights issues related to the supplier, for their operations, and to convey the same expectation to their suppliers OR those individuals or communities have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s suppliers.</p> <p>EX - The Company also expects its extractive business partners to establish a channel/mechanism for complaints or concerns from external individuals and communities, including about human rights issues related to the extractives business partner or their operations OR those individuals and communities have access to the Company’s own channel(s)/mechanism(s) to raise complaints or concerns about the Company’s extractive business partners or their operations.</p>	<p>Community outreach and engagement is a requirement for any manufacturing operations. We encourage our suppliers to proactively engage with their local communities, including prompt handling of complaints from external parties. Such activities complement the operational grievance systems for workers which we mandate for our suppliers. Moreover individuals and communities have full access to adidas’ own Third Party Complaint mechanism which is described above for Score 2 Requirement</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	C.3 Users are involved in the design and performance of the channel(s)/mechanism(s)	
Indicator description	<p>The Company (or the initiative, in the case of a shared channel/mechanism) engages with potential or actual users on the design, implementation and performance of the channel(s)/ mechanism(s).</p>	
Score 1 Requirement	<p>The Company describes how it engages with potential or actual users on the design, implementation or performance of the channel(s)/mechanism(s) OR it provides an example of doing so.</p>	<p>adidas has managed labour and human rights complaints since the end of the 1990s, when we first launched our supply chain code of conduct.</p> <p>In 2013 we decided to upgrade the complaint process, based on our experience and involvement with the 2012 London Olympics. The updated complaint mechanism was modelled on the London Olympic complaint process which was developed with input from a diverse base of stakeholders, including ourselves, trade unions, government agencies and local NGOs. adidas complaint process incorporated learnings from the London Olympics and the pre-existing elements of the complaints processes we had operated in past years. Our updated Complaints Process was publicly shared with the international NGO community, through its posting on the BHRRC site. We also sought feedback from Human Rights Watch on the content of the complaints mechanism. This led to the re-issuing of an updated complaint process in 2014, with additional language on non-retaliation. We continue to refine our approach and in 2016 create shorter summaries of the procedure in multiple language to aid stakeholder access to the complaints process. We modelled our public disclosure of complaints on the World Bank system, following engagement with the IFC ombudsman office.</p>

Score 2 Requirement	The company describes how it engages with potential or actual users on the performance of the channel(s)/mechanism(s), AND it provides an example of doing so.	<p>adidas has managed labour and human rights complaints since the end of the 1990s, when we first launched our supply chain code of conduct.</p> <p>In 2013 we decided to upgrade the complaint process, based on our experience and involvement with the 2012 London Olympics. The updated third party complaint mechanism was modelled on the London Olympic complaint process, which was developed with input from a diverse base of stakeholders, including ourselves, trade unions, government agencies and local NGOs. adidas complaint process incorporated learnings from the London Olympics and the pre-existing elements of the complaints processes we had operated in past years. Our updated 'Third Party Complaints Process' was publicly shared with the international NGO community, through its posting on the BHRRC site. We also sought feedback from Human Rights Watch on the content of the complaints mechanism. This led to the re-issuing of an updated complaint process in 2014, with additional language on non-retaliation. We continue to refine our approach and in 2016 create shorter summaries of the procedure in multiple language to aid stakeholder access to the complaints process. We modelled our public disclosure of complaints on the World Bank system, following engagement with the IFC ombudsman office. We also modified the language of the Third Party Complaints system to make clear that individuals, communities and their representatives retain their legal rights and choice of fora or grievance channel for the handling of their complaints.</p> <p>We evaluate the effectiveness of grievance channel/mechanism of our supplier through our KPI assessment where we have specific questions related to this topic. Our team will interview factory workers to verify whether the existing grievance channel is effective in addressing complaint from workers.</p>
Lock 2 Requirement	<p>AG - If the company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to consult potential or actual users on the design, implementation or performance of their channel/mechanism. If the Company's own channel(s)/mechanism(s) is available for workers, external individuals and communities in its supply chain, it also engages with those potential or actual users on the design, implementation or performance of their channel(s)/mechanism(s).</p> <p>AP - If the company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to consult potential or actual users on the design, implementation or performance of their channel/mechanism. If the Company's own channel(s)/mechanism(s) is available for workers, external individuals and communities in its supply chain, it also engages with those potential or actual users on the design, implementation or performance of their channel(s)/mechanism(s).</p> <p>EX - If the company expects its extractive business partners to set up their own channel/mechanism under C.1 or C.2, it also expects them to consult potential or actual users on the design, implementation or performance of their channel/mechanism. If the Company's own channel(s)/mechanism(s) are available for workers, external individuals and communities in its extractive business partners, it also engages with those potential or actual users on the design, implementation or performance of their channel(s)/mechanism(s).</p>	<p>We have supported our suppliers by testing operational grievance models for workers and following a three year pilot having tested different systems have now fixed upon one APPS-based system which is being mandated for all of our strategic suppliers. This system was tested with users (factory managers, supervisors and workers) for its efficacy and impact. For example, when we piloted this apps-based platform with our suppliers in China, the feedback we received was that the system should accommodate the popular instant messaging platform used in the country which would attract more workers onto the platform. Based on this feedback, the newly enhanced platform can also accommodate WeChat in addition to regular sms and message function. Factory managers also suggested a monthly report analysis instead of bi-monthly which we have incorporated in partnership with the external service provider.</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	C.4 Procedures related to the mechanism(s)/channel(s) are publicly available and explained	
Indicator description	The Company describes how complaints or concerns are received, processed and addressed and how those making complaints are informed throughout the process as well as how these may be escalated.	
Score 1 Requirement	The Company describes the procedures for managing the complaints or concerns, including timescales for addressing the complaints or concerns and for informing the complainant.	adidas has a well-developed Complaint Process for Breaches to adidas Workplace Standards or Violations of International Human Rights Norms. See https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf This describes the timelines (pages 5-6) and processes for the handling of third party complaints, including those received from individuals, worker representatives and communities. The same processes apply to the handling of worker complaints, where these are directly managed at a country level by SEA staff members.
Score 2 Requirement	The Company describes how complaints or concerns for workers and all external individuals and communities may be escalated to more senior levels or independent parties.	The Complaint Process for Breaches to adidas Workplace Standards or Violations of International Human Rights Norms see : https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf describes how complaints are handled and how they can be escalated. At page 10 it states that if any party is unhappy with the way the complaint has been handled they "should raise the issue with adidas' SEA department. SEA will review the case and communicate the information to the General Counsel/Chief Compliance Officer for a final decision. If the complainant is still dissatisfied with the outcome of their complaint and the actions taken by adidas, then they do have recourse to other independent complaint processes," as described in the Complaints Process.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	C.5 Commitment to non-retaliation over complaints or concerns made	
Indicator description	The Company prohibits retaliation for raising complaints or concerns, including in relation to human rights issues.	
Score 1 Requirement	The Company indicates that it prohibits retaliation against workers and other stakeholders (including those that represent them) for raising human rights related complaints or concerns AND describes the measures in place to prevent retaliation (for example, through guaranteeing anonymity when complaints or concerns are raised).	<p>Our policy on non-retaliation is included in our Complaint Process for Breaches to adidas Workplace Standards or Violations of International Human Rights Norms. See https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf which at page 11 reads:</p> <p>"In executing our anti-retaliation policy, our central concern will always be to safeguard the rights and wellbeing of any person who has lodged, in good faith, a grievance with adidas.</p> <p>If a person or organization believes that they have been subject of retaliation as a result of registering a complaint with adidas, they should contact us immediately and provide the specific details of what has occurred. We will investigate and if there is clear evidence of retaliation against them, we will take action to remedy the situation. This may require, for example, the issuing of a warning letter to a business partner, if it is found that they have retaliated against a worker, or a worker representative, for disclosing workplace issues, or it may demand the intervention of government, when a legal or administrative remedy is required.</p> <p>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."</p> <p>See also our general approach to Human Rights Defenders at http://www.adidas-group.com/media/filer_public/f0/c5/f0c582a9-506d-4b12-85cf-bd4584f68574/adidas_group_and_human_rights_defenders_2016.pdf</p>
Score 2 Requirement	The Company indicates that it has never brought a retaliatory suit against persons 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 (retaliatory civil litigation, including for defamation, filing criminal complaints, or any similar actions against claimants or their lawyers), or fired any workers who have brought or tried to bring a case against it involving an allegation of human rights abuse, or engaged in violent acts or threats to the livelihoods, careers or reputation of claimants or their lawyers.	adidas has never brought a retaliatory suit against persons or fired any workers who have brought or tried to bring a case against it involving credible allegation of human rights impacts or against the lawyers representing them and has never brought a case for defamation or similar actions against claimants or their lawyers.

<p>Lock 2 Requirement</p>	<p>AG - If the company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to prohibit retaliation against workers and other stakeholders (including those that represent them) for raising human rights related concerns.</p> <p>AP - If the company expects its suppliers to set up their own channel/mechanism under C.1 or C.2, it also expects them to prohibit retaliation against workers and other stakeholders (including those that represent them) for raising human rights related concerns.</p> <p>EX - If the company expects its extractive business partners to set up their own channel/mechanism under C.1 or C.2, it also expects them to prohibit retaliation against workers and other stakeholders (including those that represent them) for raising human rights related concerns.</p>	<p>It is a requirement of our Workplace Standards that suppliers treat their employees with respect. See https://www.adidas-group.com/media/filer_public/23/b4/23b41dce-85ba-45a7-b399-28f5835d326f/adidas_workplace_standards_2017_en.pdf under the header 'Disciplinary Practices' the following: "Employees must be treated with respect and dignity. No employee may be subjected to any physical, sexual, psychological or verbal harassment or abuse, or to fines or penalties as a disciplinary measure. Business partners must publicize and enforce a non-retaliation policy that permits factory employees to express their concerns about workplace conditions directly to factory management or to us without fear of retribution or losing their jobs." Moreover adidas provides specific guidance to suppliers on the development and application of a non-retaliation policy. See our Employment Guidelines at page 98-99 https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR C.6 Company involvement with State-based judicial and non-judicial grievance mechanisms</p>		
<p>Indicator description</p>	<p>The Company does not impede access to state-based judicial or non-judicial mechanisms or other mechanisms (such as international mechanisms) for persons who make allegations of adverse human rights impacts and it operates on the presumption that it will not require individuals permanently to waive their legal rights to bring a claim through a judicial process as a condition of participation in a grievance/mediation process. It also does not impede access by competent authorities investigating and adjudicating credible allegations of human rights impacts. It participates in non-judicial grievance mechanisms provided by the state where these are available to resolve grievances.</p>	
<p>Score 1 Requirement</p>	<p>The Company publicly commits to not impeding access to state-based judicial or non-judicial mechanisms or other available mechanisms for persons who make allegations of adverse human rights impacts AND indicates that it does not, and that it has not in any past case, require(d) affected individuals or communities participating in a grievance/mediation process permanently to waive their legal rights to bring a claim through a judicial process as a condition of participating in the grievance/mediation process.</p>	<p>Where a complaint is received, it is adidas' goal to facilitate a fair and speedy resolution, without impinging or impeding on the complainants right to access to other state based judicial or non-judicial mechanisms. In our Complaint Process for Breaches to adidas Workplace Standards or Violations of International Human Rights Norms we explain that "It is possible that a complaint is settled early and goes no further. There may be a formal or legal process that can be pursued e.g. an internal grievance procedure, mediation or arbitration process, or labour tribunal or other legal procedure that is applicable. adidas will encourage those engagements that are practicable and are likely to lead to a result, rather than setting up a parallel process." See page 8, at https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf</p> <p>To be clear adidas does not require in any of the grievance processes which it manages or engages - be this workers complaints received directly through worker hotlines or messaging systems, or formal complaints lodged through its own Third Party Complaint system or the supporting FLA Third Party Complaint mechanism - to require complainants to waive their legal right to making a complaint through available judicial mechanisms. For example in the Summary of the Third Complaint Process it clearly states on p.2 under the header 'Legal Rights, that "Any individual, group or community submitting a complaint to adidas is free to pursue their legal rights and apply for judicial (court) or administrative remedies available to them. If matters of law, or legal interpretation, are a key element of a complaint, it may be important to follow a judicial mechanism first." https://www.adidas-group.com/media/filer_public/20/df/20df7722-e850-487f-a029-175d7ee5cfc9/summary_third_party_complaint_process_2017_english.pdf</p>
		<p>adidas accepts and is willing to participate in State-based non-judicial mechanisms and actively calls out the opportunity for complainants (if dissatisfied with its own grievance mechanism) to access the State-based non-judicial mechanism available under the OECD-designed National Contact Point system. adidas has participated in several NCP cases since 1998. adidas has also specifically acknowledged and engaged in non-judicial mechanisms promoted by national human rights commissions. One example being the resolution of a Freedom of Association case at PT Panarub, through engagement with the Indonesian National Human Rights Commission. See para 1 p. 13 of Non-judicial Mechanisms in Global Footwear and Apparel Supply Chains: Lessons from Workers in Indonesia, 2016 at https://corporateaccountabilityresearch.net/s/NJM14_garment.pdf</p>
<p>Score 2 Requirement</p>	<p>The Company also sets out the process by which it will co-operate with state-based non-judicial grievance mechanism complaints brought against it AND provides an example of issues resolved (if applicable).</p>	<p>Where called upon adidas will positively and transparently engage with any non-judicial grievance mechanism, to resolve disputes brought to that fora. As part of our Third Party Complaint system we inform complainants who are not satisfied with adidas' own grievance channel to utilize the FLA or OECD National Contact Point if they wish access to an independent process; see 'Other Forms of Redress' at p.10 https://www.adidas-group.com/media/filer_public/47/95/47956de4-7a3b-4559-a449-51ef963c7f9e/adidas_group_complaint_process_november_2016.pdf There have been very few occasions where adidas has been called on to participate in a state-based non-judicial mechanism, in relation to complaints brought directly against it as a company. For example, we participated in complaints lodged with the National Contact Point for the OECD Guidelines for MNCs in the Netherlands (in 2001) regarding labour issues in the football industry in India and in Germany (in 2002) regarding working conditions in Indonesia. These cases are reported here: http://www.oecd.org/investment/mne/2489243.pdf and https://www.oecd.org/corporate/mne/38033170.pdf and were successfully resolved.</p>
<p>CHRB REQUIREMENT DETAILS</p>		<p>COMPANY SELF ASSESSMENT</p>
<p>INDICATOR C.7 Remedying adverse impacts and incorporating lessons learned</p>		
<p>Indicator description</p>	<p>The Company provides for or cooperates in remediation to victims where it has identified that it has caused or contributed to adverse human rights impacts (or others have brought such information to the company's attention, such as through its grievance channel(s)/mechanism(s)). It also incorporates the lessons learned from remediation approaches into its channel(s)/mechanism(s) and processes to prevent future impacts.</p>	
<p>Score 1 Requirement</p>	<p>For adverse human rights impacts which it has caused or to which it has contributed, the Company describes the approach it took to provide or enable a timely remedy for victims (or if none, then it describes the approach it would take).</p>	<p>Our effort towards addressing human rights concerns pre-dates the UNGP by many years.</p> <p>Over the past two decades, we have identified and sought to mitigate and remediate numerous issues on the global supply chain, which we have neither caused nor contributed to as a company, including freedom of association, child labour, migrant labour, pay and compensation, fire and building safety, discrimination, women's rights, indigenous people's rights, land rights, etc. Central to this effort has been our focus on protecting worker rights and delivering a fair, safe and healthy workplace, as well as improving the environment. Indeed our social and environmental compliance programme was designed around a code of conduct that from its outset incorporated UN human rights norms and international labour standards. It was also built on concepts of transparency and engagement with stakeholders, including suppliers, advocacy groups and workers. Early in the development of the social compliance programme we identified internal company practices that could potentially impact suppliers and contribute to poor labour practices. This led to the progressive development of what we today call "Responsible Sourcing Practices". Our Policy on Responsible Sourcing can be found here: https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing_purchasing_policy_en.pdf Examples of responsible sourcing behaviour and practices include: the introduction of water-based glues to reduce the release of harmful VOCs in footwear operations; balancing order flows to reduce the peaks and troughs in the order cycle - which impact working hours and wages; ensuring fair prices practices to ensure that all legally mandated wages and benefits were met; fixing pre-notification periods to provide suppliers with high order volumes enough pre-warning if orders are to be cut; the development of guidance for the handling of layoffs and closures, including financial and technical support to manage downsizing https://www.adidas-group.com/media/filer_public/2013/07/31/2009_jan_guidance_note_handling_redundancy_layoffs_en.pdf; the development of country manager approval systems to drive accountability and ensure the consequences of extended working hours were understood by both adidas' internal Sourcing teams and our contract suppliers.</p>

Score 2 Requirement	For adverse human rights impacts which it has caused or to which it has contributed, the Company also describes changes to systems and procedures to prevent similar adverse impacts in the future (or if none, then it describes the approach it would take) AND the Company provides an evaluation of the effectiveness of the grievance channel(s)/mechanism(s).	See response to Score 1 which describes preventive measure we have taken, through our Responsible Sourcing and monitoring practices, to minimize adverse human rights impacts. We have also conducted regular reviews of our grievance mechanisms. In the first decade of our programme we established and embedded worker hotlines and factory based grievance mechanism, such as complaint boxes, these prove to be ineffective, or at least generated a relative small number of complaints. To broaden accountability we introduce and supported worker representation processes, including the establishment of welfare and safety committee where there was no direct trade union representation. See p.122 at https://www.adidas-group.com/media/filer_public/02/86/0286657a-40ea-4271-9f26-b4eb3013b1ca/2016_employment_guidelines.pdf In the most recent phase of our work, we have introduced and mandated an APPS-based worker complaints mechanism, where we can independently track grievances submitted by workers to our suppliers, the suppliers efforts at resolving those complaints, and the nature and seriousness of the complaints received. This complements adidas independent worker hotlines that continue to operate. At a broader level we also run a Third Party Complaint process for any labour and human rights complaints from individuals, communities or those representing their interests. We report the individual cases, summarise the issues and publicly disclose the results. The general trend in our Third Party Complaint system is that the total number of complaints received by adidas has declined, as has the close-out rate of the complaints received, i.e. cases are taking longer to resolve. A large number of cases originate through the trade unions or international labour advocacy groups working closely with trade unions. We are also seeing a trend towards more systemic demands, these are not complaints directed at adidas, but campaigns calling for international brands and governments to mobilize and support civil society groups protect freedom of association and freedom of expression in countries such as Cambodia, Myanmar and China. The existing complaint system does not capture or report on these 'civic freedom' campaigns. These are dealt with as part of our stakeholder outreach and our work on government affairs, which is aligned with our Human Rights Defenders policies.
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Measurement Theme D - Performance: Company Human Rights Practices

CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.1.a Living wage (in own production or manufacturing operations)	
Indicator description	The Company pays all its workers a living wage, which is regularly reviewed and negotiated through collective bargaining with relevant trade unions where they are operating. There are numerous definitions of living wage but the core concept is to provide a decent standard of living for a worker and his or her family based on a regular work week not including overtime hours. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their entitled official dependents and provide some discretionary income. Workers also receive equal pay for equal work.	
Score 1 Requirement	The Company indicates its target timeframe for paying all workers a living wage AND the Company describes how it determines a living wage for the regions where it operates, which includes involvement of relevant trade unions.	<p>As a responsible business we do not want the workers employed in our supply chain to face hardship in their daily lives. Our aspiration, as set out in the core principles of our Workplace Standards, is that workers earn enough for their basic needs and also have income remaining to cover their discretionary spending as well as savings. Our business partners must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programmes and other services which enhance quality of life.</p> <p>The question of calculating and paying fair wages within global supply chains is complex. Wages are determined by the general economic conditions and cost of living in a country, national laws, the size and availability of its workforce, a worker's skill level, the nature of the industry or sector and the competitiveness of the employer.</p> <p>We do not determine what factories pay their workers but we oblige employers to pay compensation that is legally required or has been freely negotiated through a collective bargaining process. As a buyer, we influence a factory's ability to pay its workforce their wages in two ways:</p> <ul style="list-style-type: none"> • in the prices we pay for products; • by sourcing and buying those products responsibly. <p>Our approach to payment of fair wages in global supply chains is built on three pillars and aligned with basic human rights concepts in mind.</p> <p>RESPECT: Do not infringe on the rights of workers, their employers and governments to set fair wages PROTECT: Conduct due diligence and act when business partners are not compliant with the law or our Workplace Standards PROMOTE: Facilitate ways and actions that influence wage progression and fair wages.</p> <p><u>Rather than focusing on the narrow definition of a living wage we benchmark our suppliers wage setting against the fair wage principles</u></p> <p>The idea of a living wage is that workers and their families are able to afford a basic, but decent, standard of living that is considered acceptable by society at its current level of economic development. A fair wage goes deeper. It considers the fairness of the wage that a worker is paid by benchmarking whether wages:</p> <ul style="list-style-type: none"> • are paid regularly and on time, • include the legal minimum, • allow decent living standards, • reflect a worker's performance and skills, • reward overtime, • follow price increases paid for the products they are making, • are linked to their employer's profits and sales, • reflect changes in work technology, • are negotiated individually or collectively with workers, • are clearly and formally communicated to workers. <p>Please see corporate website:</p>
Score 2 Requirement	As well as describing how it determines a living wage for the regions where it operates, the Company indicates that it has achieved paying the living wage AND that it regularly reviews its definition of the living wage including with relevant trade unions.	<p>In 2014 we made a position statement that distinguished between the "living wage" and the "fair wage" public and identified our approach to payment of fair wages in global supply chains. More recently, in 2015, we aligned adidas Workplace Standards with the Fair Labor Association's (FLA) code language and refocused on prompt remediation of pay violations in audit corrective action plans. With every step we strive to further promote fair wages across our industry's supply chain.</p> <p>During 2016, we continue to work closely with our partners such as the Fair Labor Association, to strengthen our prevention programmes and to close critical gaps in wage fairness identified in our ongoing collection of supply chain wage data. A 2016 outcome of the FLA Fair Compensation Strategy is to publicly compare and report compensation paid at suppliers to FLA affiliated companies with national wage levels as benchmarked by the Legal Minimum, World Bank Poverty line, Asia Floor Wage, national sectoral range, OECD, and others.</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.1.b Living wage (in the supply chain)	
Indicator description	The Company ensures its suppliers pay their workers a living wage, which is regularly reviewed and negotiated through collective bargaining with relevant trade unions where they are operating. There are numerous definitions of living wage but the core concept is to provide a decent standard of living for a worker and his or her family based on a regular work week not including overtime hours. A living wage is sufficient to cover food, water, clothing, transport, education, health care and other essential needs for workers and their entitled official dependents and provide some discretionary income. Workers also receive equal pay for equal work.	

Score 1 Requirement	The Company includes living wage guidelines in its contractual arrangements with its suppliers or its supplier code of conduct OR the Company describes how it works with suppliers to improve their living wage practices.	All Supplier and Manufacturing agreements require that company to commit and adhere to adidas Workplace Standards. The standard for Wages, Benefits and Compensation says that: "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." We work with our suppliers to improve compensation practices in several ways. We act to ensure that we do not infringe on the rights of workers, their employers and governments to set fair wages, that we conduct due diligence and act when business partners are not compliant with the law or our Workplace Standards, and that we facilitate ways and actions that influence wage progression and fair wages. See https://www.adidas-group.com/en/sustainability/reporting/policies-and-standards/
Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	In 2018 we will benchmark the data we've collected at factories in 6 countries against the FLA's Fair Compensation Strategy's national wage levels including the Legal Minimum, World Bank Poverty line, Asia Floor Wage, national sectoral range, OECD, and others.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.2 Aligning purchasing decisions with human rights	
Indicator description	The Company ensures coherence between its purchasing policies and practices and its human rights commitment(s), so that such policies and practices do not undermine its human rights commitments or hinder the ability of its business relationships to meet the Company's expectations and their own human rights responsibilities. Note: Indicators D.1.2 and D.2.2 are related to indicator B.1.7 but focus on different aspects of human rights impacts in supply chains. D.1.2 and D.2.2 focus on how the company's actions can impact human rights in the supply chain whilst B.1.7 is about how the suppliers' actions (should) influence the company's acts.	
Score 1 Requirement	The Company describes the practices it adopts to avoid price or short notice requirements or other business considerations undermining human rights OR it describes the specific positive incentives it puts into place via its purchasing practices to encourage its business relationships to act with respect for human rights (e.g. price premiums, repeat business, increased orders or longer contracts with good performers).	<p>Since the early 2000's adidas has understood the potential for purchasing policies and practices to undermine our human rights commitments. For example, research we have conducted into the root causes of excessive overtime in supplier factories identified that in up to a third of cases, the cause rested with adidas' own sourcing practices, late order requests, etc. From this research, adidas developed a series of now long-standing sourcing practices that are implemented within our direct supply chain relationships and aligned with human rights considerations. These include:</p> <ul style="list-style-type: none"> • Costing policies that acknowledge the cost of labour and time to produce the item i.e. Standard Minute Values • Buy Ready policy that avoids last minute changes in the development process. • Effective forecasting system that enables the suppliers to do effective planning • Systematic dialogue with suppliers on their capacity that enables level loading during peak months • Strategic supplier programmes developed for long-term business relationships <p>We are committed to establishing long term partnerships with suppliers and consolidate the supply chain with key strategic partners providing them higher volumes. Reflecting this approach, the average length of relationship with our strategic suppliers is 11 years. Out of the 1,038 suppliers that we worked with in 2016, 107 of them are identified as strategic, which is approximately 10% of our suppliers. More than 4/5 of the total production volume and value come from these strategic suppliers. Furthermore, we have embedded social and environmental KPI's into general business partner ratings, which determine order allocations and feed into the ongoing compliance focused dialogue we conduct with our suppliers.</p>
Score 2 Requirement	The Company meets both the requirements under Score 1.	<p>In 2001 we conducted a survey and analysis of the primary reasons for excessive working hours in supplier factories. The root cause in any specific instance was complex but looking at the big picture the primary drivers appeared to be poor work planning and control over materials flows. The study found that a third of the time the cause rested with adidas' own sourcing practices, late order requests, etc., a third were due to the factories internal process controls, work planning and human resource management (worker retention and turnover levels) and a third was due to late receipt or rejection of fabrics and other materials to complete work tasks and meet delivery deadlines. From this early research we implemented a series of tools that support the objectives of responsible purchasing practices and promote greater transparency and accountability, both internally and with our suppliers, and drive down non-compliances, especially in relation to working hours' limits. These include Country Manager Approval Forms where the reasons for extended working hours have to be reported, justified, and vetted for legal compliance. This is combined with a requirement that the strategic partner factories disclose and keep up-to-date monthly tracking sheets for individual working hours for their employees, so trends and issues can be determined.</p> <p>In August 2017, we took further steps to align our purchasing practices with our human rights commitments through the development and publication of adidas' Responsible Sourcing & Purchasing Policy, see: https://www.adidas-group.com/media/filer_public/ca/ba/caba936a-7da7-4710-9d88-d437bac87923/adidas_responsible_sourcing_purchasing_policy_en.pdf Endorsed by adidas' senior management, it reinforces our commitment to work with our business partners, across our global and multi-layered supply chain, to ensure that sourcing and purchasing decisions do not conflict with the fulfilment of the adidas Workplace Standards.</p> <p>We also seek to positively incentivise our suppliers to act with respect for human rights via our purchasing practices. For our strategic partners, who account for more than 90% of global production, we do this through our regular supplier social and environmental KPI assessments - higher KPI scores resulting from strong human rights & environmental practices and performance contribute to suppliers securing greater order volumes.</p> <p>For external business partners, such as licensees, adidas has developed a Responsible Sourcing Guideline that sets out our expectations. Adherence to the guidelines is evaluated annually, as part of our licensee's performance review and report card.</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.3 Mapping and disclosing the supply chain	
Indicator description	The Company maps its suppliers and discloses its mapping publicly.	
Score 1 Requirement	The Company indicates that it maps its suppliers, including direct and indirect suppliers, and describes how it goes about this. For the Apparel industry, the mapping needs to include all manufacturing sites.	adidas has a documented mapping exercise of each supplier type/category across the supply chain, for both direct and indirect relationships. Our disclosure practices and the information shared for each facility is aligned with the Transparency Pledge agreed to with international labour rights organizations. Our public disclosure includes information of our suppliers contracted directly and indirectly through Licensees as well as factories that have been subcontracted by our primary suppliers. See our global factory lists here https://www.adidas-group.com/en/sustainability/compliance/supply-chain-structure/ The lists are updated twice each year. In addition, we map and disclose supplier lists for major events (World Cups, Olympics) and include trade union information in those disclosures. We also map and disclose the Tier 2 wet process suppliers who process materials for our primary suppliers or subcontractors which represent by volume more than 80% of our material supply chain. We have also mapped the key raw material flows for leather, natural rubber and cotton into our manufacturing processes from hot spots, i.e. those countries identified as high risk for forced labour and trafficking by the US Department of Labor, see: https://business-humanrights.org/sites/default/files/documents/adidasGroup_Summary_Modern%20Slavery%20Risk%20Assessment_Aug2016rev%2028002%29.pdf Also see our Tier 3 sourcing countries for leather at: https://knowthechain.org/wp-content/uploads/KTC-LeatherLabor-Case-Study_Final.pdf
Score 2 Requirement	The Company also discloses the mapping for the most significant parts of its supply chain and explains how it has defined what are the most significant parts of its supply chain.	We have mapped and assessed human rights risks including for forced labour and modern slavery across all tiers or stages of our supply chain. For sake of simplicity the tiers are defined as follows and are consistent with the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector a) Tier 1 – Manufacturing (e.g. assembly, cutting, sewing), b) Tier 2 – Processing (e.g. weaving, knitting, dyeing, tanneries etc.; all other components) and c) Tier 3 – Raw Materials. In 2016 we launched the Modern Slavery Outreach programme to identify and mitigate forced labour and modern slavery risks in our extended supply chain, i.e. those parts of our supply chain which fall outside our mainstream monitoring coverage for social compliance. We have publicly disclosed our due-diligence process and priority areas for engagement for the program which includes mapping the sourcing countries for key natural materials See: https://business-humanrights.org/en/adidas-modern-slavery-summary-of-risk-assessment-and-invitation-for-stakeholder-engagement The company fully discloses its global supplier list, including primary suppliers, subcontractors and licensee suppliers, which can be found at https://www.adidas-group.com/en/sustainability/compliance/supply-chain-structure/ Additionally, adidas' sourcing organization has defined a set of strategic suppliers for footwear, apparel, and accessories, where we have a long-standing relationship. These suppliers receive high volume orders and deliver a higher compliance performance. Strategic suppliers account for more than 81% of global order volumes.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.4.a Child labour: Age verification and corrective actions (in own production or manufacturing operations)	

Indicator description	The Company verifies the age of job applicants and workers in its own operations. In addition, if the Company learns that it has child labour in its operations, it ensures that the children are enrolled in a remediation/education programme, rather than dismissing them from employment. If children are found to be involved in hazardous work, they are removed immediately from the situation and provided alternative work until they can be enrolled in or are immediately enrolled in a remediation/education programme. The objective is to ensure that children are not pushed into more dangerous survival strategies.	
Score 1 Requirement	The Company indicates that it does not use child labour AND verifies the age of job applicants and workers in its own operations.	<p>Within adidas Labour Rights Charta it is stated that "we follow a clear 'zero tolerance to child labour' policy in our business operations worldwide. We do not tolerate child labour in our supply chain either, where we take action against known cases of violation". See http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>The global Human Resources organization issues employment policies which require the business entities to strictly adhere to local laws and requirements in regards to minimum ages and juvenile work. Compliance with these policies are regularly reviewed and audited by the company Internal Audit function.</p> <p>It is to be noted that the overwhelming majority of job positions within adidas require appropriate education for expected job performance that normally cannot be delivered by under aged employees. And to our knowledge, we have never had a case of child labour within any of our own manufacturing operations which are located in Europe and North America.</p>
Score 2 Requirement	The Company also describes how it develops, participates in or contributes to programmes for transition from employment to education, enabling children to attend and remain in education, if and when child labour is found in its operations and to improve working conditions for young workers where relevant.	To our knowledge, we have never had a case of child labour within any of our own manufacturing operations which are located in Europe and North America. However should there be such an occurrence we would follow our well-developed policies and practices from our supply chain work, which requires education to be provided to the affected person and for their salary to be paid until the child is of an age to take up full employment, at which point re-employment would have to be offered by the manufacturing site.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.4.b Child labour: Age verification and corrective actions (in the supply chain)	
Indicator description	The Company ensures its suppliers verify the age of job applicants and workers. In addition, if the Company learns that it has child labour in its supply chain it ensures that the child/children are enrolled in a remediation/education programme, rather than dismissing them from employment. If children are found to be involved in hazardous work, they are removed immediately from the situation and provided alternative work until they can be enrolled in or are immediately enrolled in a remediation/education programme. The objective is to ensure that children are not pushed into more dangerous survival strategies.	
Score 1 Requirement	The Company includes child labour guidelines, including not using child labour, verifying the age of job applicants and workers and remediation programmes, in its in its contractual arrangements with its suppliers or supplier code of conduct OR the Company describes how it works with suppliers to eliminate child labour and to improve working conditions for young workers where relevant.	<p>Our suppliers are contractually bound to uphold our Workplace Standards and associated guidelines and policies. The Child Labour section of our Employment Guidelines offers specific guidance on the types of non-compliances that can occur in the workplace arising out of the employment of underage workers. Guidance is also given on how to safeguard juvenile workers, who are of a legal age to work, from extended working hours or hazardous work. See https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9126-644eb3013b1ca/2016_employment_guidelines.pdf If direct evidence of child labour were found during our pre-screening of a factory, the supplier would fail to qualify for use by adidas and we would notify the relevant authorities, or other existing brands sourcing from the factory, of our findings.</p> <p>Often for prospective new suppliers in high risk countries in the developing world, we find inadequate recruitment practices and ID checks and respond by providing guidance on ways to improve these systems to prevent the recruitment of underage workers. In such cases suppliers are then given three months to make improvement and if they are able to satisfy us that they have mitigated or prevented the risk of child labour they become 'SEA Accepted' and can receive orders. They must maintain this status through subsequent periodic monitoring and commit to continuous improvement. See our Enforcement Guidelines which defines the thresholds that suppliers must meet to be included and retained as adidas supplier http://www.adidas-group.com/media/filer_public/2013/07/31/enforcement_guideline_nov_2006_en.pdf</p> <p>If through our social compliance audits we were to find underage workers in an existing supplier's factory, this would be considered a threshold issue which requires immediate remedial action. The remedial action typically includes:</p> <ol style="list-style-type: none"> 1. The factory to consult with the parents of the under-age worker to explore options of continuing their education 2. Factory to pay the child's schooling; or to pay for vocational training if worker is too old for schooling but too young to work 3. Continue to pay the wage during the education or training period, to ensure continued income to the family <p>A useful example, one that tracks our experience in protecting the rights of the child over the span of nearly 20 years is given in the publication Joining the Dialogue: Vulnerable Children and Business http://www.csr-asia.com/report/Joining_the_dialogue-Vulnerable_children_and_business.pdf See case study at pages 44-49</p>
Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	<p>As part of its drive to address modern slavery and quantify child labour and forced labour risks, adidas conducted a review of compliance data (for Threshold and Zero Tolerance issues) from factory inspections for the past three years (2015-17). There was only one case of child labour identified. This was during the pre-screening of a factory proposed for use in Russia. Since the factory management refused to provide any supporting documents, the factory was rejected, i.e it was never used for adidas production. Although the analysis highlighted other findings related to weak HR management systems, for example in hiring practices and document-checking in relation to the age of workers, that can presents risks, there has not been actual findings of child labour since the 2017 instance. The findings confirm our understanding that our main Tier 1 suppliers present very limited risk of child labour.</p> <p>As part of our Modern Slavery Outreach we are extending our monitoring activities to Tier 2 Material Suppliers and once sufficient numbers of suppliers fall under coverage and we build a body of monitoring data, we will be in a position to conduct a deeper analysis of child labour risks for Tier 2. This will complement the high level, i.e. country based, risk appraisals already underway for Tier 2 material suppliers and for Tier 3 raw material sources (Rubber, Leather and Cotton). For more information see update on progress for Modern Slavery (including forced labour, child labour and migrant labour) at: https://www.business-humanrights.org/en/adidas-modern-slavery-summary-of-risk-assessment-and-invitation-for-stakeholder-engagement</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.5.a Forced labour: Debt bondage and other unacceptable financial costs (in own production or manufacturing operations)	
Indicator description	The Company refrains from imposing any financial burdens on workers by withholding wages or expenses that should be covered by the Company, including recruitment fees and related recruitment costs.	
Score 1 Requirement	The Company indicates that it pays workers regularly, in full and on time and does not require workers to pay work related fees or costs AND indicates that all workers receive a payslip with their wages explaining any legitimate deductions.	<p>Within adidas Labour Rights Charta it is stated that "We provide our employees with fair and competitive compensation and benefits. Our wages meet or exceed local compensation conditions and guidelines and thus ensure an adequate standard of living for our employees and their families. Our compensation systems are linked to company and individual performance." See http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf at p1.</p> <p>The global Human Resources organization issues employment policies which require the business entities to strictly adhere to local laws and requirements in regards to wage payment, deductions and expenses. All workers receive a pay slip explaining their wages, including any specified deductions.</p>
Score 2 Requirement	The Company also describes how it implements and monitors this practice in its own operations, particularly with employment agencies/labour brokers/recruitment intermediaries.	Conformance with our employment policies is managed through our human resources organization which works directly with the management team in our own manufacturing operations
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.5.b Forced labour: Debt bondage and other unacceptable financial costs (in the supply chain)	
Indicator description	The Company ensures its suppliers refrain from imposing any financial burdens on workers by withholding wages or expenses that should be covered by its suppliers, including recruitment fees and related recruitment costs.	

Score 1 Requirement	The Company includes debt bondage guidelines, including refraining from imposing any financial burdens on workers by withholding wages or expenses including recruitment fees and related recruitment costs, in its contractual arrangements with its suppliers or supplier code of conduct OR the Company describes how it works with suppliers to eliminate imposing any financial burdens on workers.	<p>Our suppliers are contractually bound to uphold our Workplace Standards and associated guidelines and policies. The Forced Labour section of our Employment Guidelines offers specific guidance on the types of non-compliances likely to cause debts and the potential for debt-bondage, controlling wages, etc. We require the timely payment of wages and prohibit the withholding of wages or the use of any financial penalty as an inducement to work. See https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-4271-9f26-64eb3013b1ca/2016_employment_guidelines.pdf</p> <p>Additional guidance is given in the Employment Guidelines on Migrant Workers: Section 5.1.4 describes how suppliers have to take the issue of debt into account in the employment of migrants, including the financial burden imposed by unreasonable or exploitative recruitment fees.</p> <p>In our pre-screening of suppliers, forced labour is treated as a Zero Tolerance area, including any case where we see clear evidence of debt bondage or exploitative labour practices associated with the hiring of migrant workers.</p> <p>Workers may face a range of potential financial burdens including late payment of wages, unreasonable deductions (say for medical testing, uniforms) or overpriced canteen food or onsite accommodation, use of fines or penalties, and exploitative recruitment fees. We have established clear standards and expectations for suppliers which define the costs they should directly bear to minimize the financial impacts on workers, including establishing industry benchmarks for reasonable housing (dormitory) costs in China, encouraging the provision of free food or subsidized food to increase the workers disposal income (in Cambodia, China, Indonesia and Vietnam) and improve worker retention, conducted financial appraisals of suppliers to determine the reasons for late payments and assisted suppliers improve their management operations and cash flow, we have intervened with at risk suppliers by financing materials costs and taken other proactive sourcing measures to stabilize business operations, we have also supported the development of Worker Cooperatives to enable workers to secure more affordable food and household goods, as well as lower cost mortgages in Indonesia.</p> <p>With respect to the imposition of unreasonable or unacceptable recruitment fees we have worked directly with suppliers, such that they directly absorb costs, for example the government imposed tariff on migrant workers in Malaysia.</p>
Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	An analysis of trends is not currently available for disclosure
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.5.c Forced labour: Restrictions on workers (in own production or manufacturing operations)	
Indicator description	The Company refrains from restricting workers' movement, including through the retention of passports or other personal identification or travel documents or ATM cards or similar arrangements for accessing wages.	
Score 1 Requirement	The Company indicates that it does not retain the workers' personal documents or restrict workers' freedom of movement outside of work hours or require workers to stay at and pay for accommodation by the Company.	<p>Within adidas Labour Rights Charta it is stated that "We comply with all applicable laws and agreements on working time and paid leave. We respect the right to rest and leisure, including vacation with pay and the right to family life. Where possible we will aim to offer more flexible work patterns to enable our employees to balance company with personal demands manifested in our company's work life balance statement." See http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>The global Human Resources organization issues employment policies which require the business entities to strictly adhere to local laws and requirements in regards to freedom of movement.</p>
Score 2 Requirement	The Company also describes how it implements and checks this practice in its operations, particularly with employment agencies/labour brokers/recruitment intermediaries.	Conformance with our employment policies is managed through our human resources organization which works directly with the management team in our own manufacturing operations. adidas Business divisions and entities are subject of internal audit procedures that regularly check compliance with legal requirements and internal control procedures. Internal audit reports are submitted to the Executive Management and to the Supervisory Board. In countries where own production facilities are located strong surveillance processes are in place by the local authorities checking legal compliance of the facilities.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.5.d Restrictions on workers (in the supply chain)	
Indicator description	The Company ensures its suppliers refrain from restricting workers' movement, including through the retention of passports or other personal identification or travel documents or ATM cards or similar arrangements for accessing wages or other measures to physically restrict movement.	
Score 1 Requirement	The Company includes guidelines on workers' freedom of movement, including refraining from restricting workers' movement through the retention of passports or other personal identification or travel documents or ATM cards or similar arrangements for accessing wages or other measures to physically restrict movement, in its contractual arrangements with its suppliers or supplier code of conduct OR the Company describes how it works with suppliers to eliminate detention of worker's documents or other actions to physically restrict movement.	<p>Our suppliers are contractually bound to uphold our Workplace Standards and associated guidelines and policies. Section 3.2.3 of our Employment Guidelines specifically addresses the topic of Restricting Freedom of Movement and Unlawful Detention and cites examples where a supplier could breach a worker's right to freedom of movement, which is a fundamental right under the UDHR. They include:</p> <ul style="list-style-type: none"> • Limiting access to bathroom facilities or fresh drinking water is a restriction on freedom of movement and denies the basic needs of workers. • Restricting employees from exiting production areas or the factory grounds is a form of unlawful detention and forced labour • Migrant workers are given choice to live in the dormitory inside the factory compound or accommodation outside factory compound • Preventing migrant workers from leaving the area or country by retaining personal identification and travel documents or work permits is a form of forced labour. <p>See https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-4271-9f26-64eb3013b1ca/2016_employment_guidelines.pdf</p> <p>With respect to the retention of worker passports, this was an issue we first encountered and addressed in the hiring of foreign workers in South Korea and Taiwan in 2001. Our early work on this topic included research into working conditions and government' policing practices impacting foreign workers employed in the garment industry in Malaysia in 2004. That led to the return of all passports to migrant workers for their own safekeeping (in individual lockers) and the issuance of local IDs. More recently in 2016-17, suppliers in Taiwan which has a large number of foreign migrant workers have progressively improved their foreign migrant worker employment practices, from returning original identity documents such as passports, bank books etc., to establishing new dormitories for foreign migrant workers with proper fire safety facilities; to ensuring employment contracts are provided in the local language of the foreign migrant workers. Our experience in managing freedom of movement issues for migrants was shared with the Fair Labor Association in 2009, as part of multi-stakeholder engagements with civil society groups and the Bar Council in</p> <p>Malaysia on the topic of migrant labour.</p>
Score 2 Requirement	The Company does both of the requirements under Score 1 AND the Company provides an analysis of trends in progress made.	An analysis of trends is not currently available for disclosure
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.6.a Freedom of association and collective bargaining (in own production or manufacturing operations)	
Indicator description	The Company respects the right of all workers to form and join a trade union of their choice and to bargain collectively. In addition, it provides workers' representatives with appropriate facilities to assist in the development of effective collective bargaining agreement(s). The Company also prohibits intimidation, harassment, retaliation and violence against trade union members and trade union representatives.	
Score 1 Requirement	The Company commits to not interfering with the right of workers to form or join trade unions and to bargain collectively and puts in place measures to prohibit any form of intimidation or retaliation against workers seeking to exercise these rights OR discloses the percentage of its workforce whose terms and conditions of work are covered by collective bargaining agreements.	<p>Within adidas Labour Rights Charta it is stated that "We are committed to an open and constructive dialogue with our employees and, if applicable, with their representatives. Our employees are free to join organizations of their choice that represent them consistent with local organizing laws. These organizations may, if recognized as the appropriate agent, engage in collective bargaining according to the applicable legal regulations. Employees who act as representatives are neither disadvantaged nor favoured in any way. In locations where employees have decided not to appoint representatives, we promote direct and open communication between employees and management."</p> <p>See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>adidas has a German and European Works Council established, which represent employee interests and 3 Works Council members and 2 trade union members are represented in the company's Supervisory Board.</p> <p>Active CBAs are currently in place for employees in Germany, France, Finland, Lithuania, Greece, Norway, Portugal, Spain, Austria, Sweden, Latvia, South Africa, UAE, Korea, Brazil and Chile. This accounts for approximately 50 % of the global workforce, excluding retail.</p>

Score 2 Requirement	The Company meets both of the requirements under Score 1.	See Response to Score 1
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.6.b Freedom of association and collective bargaining (in the supply chain)	
Indicator description	The Company ensures its suppliers respect the right of all workers to form and join a trade union of their choice and to bargain collectively. In addition, the Company ensures its suppliers provide workers' representatives with appropriate facilities to assist in the development of effective collective bargaining agreement(s). The Company also ensures its suppliers prohibit intimidation, harassment, retaliation and violence against trade union members and trade union representatives.	
Score 1 Requirement	The Company includes freedom of association and collective bargaining guidelines, including the prohibition of intimidation, harassment, retaliation and violence against union members and union representatives, in its contractual arrangements with its suppliers or supplier code of conduct OR the Company describes how it works with suppliers to improve their practices in relation to freedom of association and collective bargaining.	<p>Our suppliers are contractually bound to uphold our Workplace Standards and associated guidelines and policies, including those related to Freedom of Association.</p> <p>adidas' Workplace Standards are derived from ILO conventions and UN human rights norms. As such, Freedom of Association and the right to form and join a trade union of a worker's own choosing is a right that we seek to respect and in accordance with the UN Guiding Principles we will take action if we see our suppliers breach their legal duty to uphold this right in practice.</p> <p>We encourage our suppliers to maintain a climate of non-interference with trade union activities and to implement effective systems of worker-management communication, including entering into good faith processes of collective bargaining where a union has been duly formed and can legally represent the views of the workforce as a bargaining unit.</p> <p>Please see our Employment Guidelines, which includes examples of non-conformance and best practice guidance https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf and our General Approach to FOA and Industrial Relations https://www.adidas-group.com/en/sustainability/people/factory-workers/#/timeline-for-research-guidance-on-fair-compensation/our-approach-to-effective-workplace-communication-and-ensuring-freedom-of-association/ There are many barriers to the formation of trade unions, not least being that two of the largest sourcing countries globally, namely China and Vietnam, prohibit by law the creation of independent trade unions. In those settings, our effort and engagement with workers has been directed at identifying parallel means for worker representation, through direct worker-led elections, as well as tracking the emergence of more representative State unions and the role of sectoral level collective agreements.</p> <p>The true exercise of the right to freely associate requires non-interference from factory management, which adidas seeks to uphold and encourage, but it also requires an active and engaged trade union movement at a national level, one with effective organizing capabilities, which is free of government influence and control. In some of the countries where we source our products, we note that trade unions may, at times, be competing with one another, or be aligned with specific political parties. In some countries the organizing rules are unclear, which adds a further layer of complexity to representational rights for workers.</p> <p>In order to exercise collective bargaining rights, trade unions must operate within the ambit of the national laws in forming a bargaining unit. adidas has no legitimate role in the negotiations or collective agreements that take place between independent unions and factory management - which may develop specific rules and procedures, or agree wages and other benefits. Nonetheless, we supply guidance materials if these are requested by the two parties, and in many cases have provided introductions to local ILO trainers and other consultants who can assist management and workers to build their social dialogue mechanisms.</p> <p>We have designed training modules to address FOA practices. Examples range from worker representative training in China, in partnership with labour NGOs (these allow for the free election of worker representatives to welfare committees), to the running of briefing sessions in partnership with trade unions and labour officials in the Philippines, to the development and dissemination of materials on strike management in Vietnam with the ILO.</p> <p>Together with Oxfam, we have collaborated closely with local trade union federations in the development of a Freedom of Association Protocol for Indonesia, see for example: http://column.global-labour-university.org/2014/05/putting-workers-agency-at-centre-in.html adidas played a pivotal role in this process. We acted as the lead party in a supplier-brand caucus that has been formed to engage with Indonesia's trade union movement, to develop a basic framework for the exercise of trade union rights in the workplace. After one year of negotiations, agreement was finally reached on a protocol that was shared with other brands and suppliers in the sporting goods industry in Indonesia. The provisions in the protocol aim to close the gap in expectations and reduce misunderstandings between factory managers and trade union officials with respect to trade union activities, rights of access and so on, thereby improving the overall industrial relations environment. Of all brands that have acted as co-signatories to this Protocol, adidas has the highest uptake by its suppliers.</p> <p>As a remedial requirement we have required suppliers to issue "Right to organize guarantees" to workers, declaring their freedom to form and join unions of their own choosing. We have done so where we have found evidence of a direct infringement of rights or a potential interference with workers freedom to exercise this right. Such guarantees have been issued in the past by suppliers in Indonesia, Sri Lanka, and the Philippines.</p> <p>For all major sporting events we detail the trade union status of each factory supplying those events, including identifying those factories from China and Vietnam that have state-mandated unions, as well as parallel worker representative groups. See, for example, our recent disclosure of the UEFA 2016 European Championship suppliers list http://www.adidas-group.com/media/filer_public/3a/4c/3a4c36b4-ed54-42b2-8804-a864283afd95/2016_euro_supplier_list_pdf</p>
Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	<p>Our code of conduct has been in place for almost 20 years and we continue to screen new suppliers for conformance with our Workplace Standards, including Freedom of Association. The identification of FOA non-compliances or the potential risk of non-conformance, in our pre-screening or Initial Assessments has shown a decline over the past 4 years, plateauing at 3% of all identified threshold issues.</p> <ul style="list-style-type: none"> • 2012 – 5% • 2013 – 4% • 2014 – 3% • 2015 – 3% <p>See Performance Data contained in the Annual Sustainability Progress Reports, published on our website at https://www.adidas-group.com/en/sustainability/reporting/sustainability-reports/</p> <p>It is difficult to gauge the degree to which our training and awareness raising for suppliers and workers converts to a greater number of trade unions being given an opportunity to form, or to operate more freely, or for a greater number of collective bargaining agreements to be successfully entered into, as such matters are dependent on the general climate and maturity of industrial relations in each country, including such factors as the make-up and nature of the trade unions, their relationship and engagement with industry sectors and individual manufacturers, the provisions of the national labour law, and the role of the government labour inspectorates and the judiciary in the monitoring and enforcement of the law.</p> <p>Generally, where there are no legal barriers facing union activities, we have seen very high rates of trade union formation. For example, 80% of our manufacturing partners in Cambodia are unionized (cf. with only 6% of Cambodia's national workforce); 90% of our supplier partners in Indonesia are unionized (cf. 2% of general manufacturing in the country) with 80% of these having formal collective bargaining agreements in place; and 100% of our Brazilian suppliers are unionized and all have sectoral or individual collective bargaining agreements in place.</p>

		<p>We have supported and encourage the creation of alternative worker representation through democratic means, where free and independent trade unions are prohibited by law (e.g. Vietnam and China).</p> <p>We have been successful in resolving FOA issues and, where necessary, seeking the reinstatement of union officials who have been unfairly treated and dismissed. See for example our record of resolving FOA complaints, as part of our Grievance Mechanism at https://www.adidas-group.com/en/sustainability/compliance/human-rights/#/uk-modern-slavery-act/du-diligence-approach/</p>
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.7.a Health and safety: Fatalities, lost days, injury rates (in own production of manufacturing operations)	
Indicator description	The Company discloses a set of quantitative information on health and safety related to its total workforce, namely: injury rate, fatality rate, lost days or near miss frequency rate.	
Score 1 Requirement	The Company discloses quantitative information on health and safety for its employees related to injury rates or lost days (or near miss frequency rate) and fatalities.	
Score 2 Requirement	<p>The Company:</p> <ul style="list-style-type: none"> - Has set targets related to rates of injury, lost days and fatalities for the reporting period AND - It has met those targets or provides an explanation of why these were not met. 	
	<p>Data on health and safety for the years 2014 - 2016 have been reported in adidas 2016 Sustainability report, at page 81 See: https://www.adidas-group.com/media/filer_public/08/7b/087b0f055-d8d1-43e3-8adc-7672f2760d9b/2016_adidas_sustainability_progress_report.pdf</p> <p>EVERY EMPLOYEE MUST HAVE A SAFE WORKING ENVIRONMENT. NOTHING LESS IS ACCEPTABLE. This is valid for every kind of workplace, including machine workplaces in production areas, home office workplaces for administration functions and workplaces in our stores. As a global company, our operations must comply with a wide range of different legal and cultural imperatives. Naturally, practices and procedures will vary from one facility to another, depending on the structure of the facility, but the core requirements remain the same.</p> <p>Health & Safety performance data are reported in the 2016 sustainability progress report, page 81. A comprehensive description of employee health & safety approach is described on the company website: https://www.adidas-group.com/en/sustainability/people/employees/#/rewards/workplace-health-and-safety-at-sites/</p>	
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.7.b Health and safety: Fatalities, lost days, injury rates (in the supply chain)	
Indicator description	The Company discloses a set of quantitative information on health and safety related to suppliers' workers, namely: injury rate, fatality rate, lost days or near miss frequency rate.	
Score 1 Requirement	The Company sets out clear health & safety requirements in its contractual arrangements with its suppliers or supplier code of conduct AND it discloses quantitative information on health and safety for employees at suppliers related to injury rates or lost days (or near miss frequency rate) and fatalities.	
Score 2 Requirement	<p>The Company describes how it engages with suppliers to improve their practices in relation to health and safety AND provides an analysis of trends in progress made.</p> <p>We have a comprehensive set of Health and Safety Guidelines and qualified safety professionals within our Social & Environmental Affairs team who conduct training and provide advisory services on occupation health and safety, fire and building safety, machine safety, chemical handling, etc. We have also played an instrumental role in the establishment of safety training centres in Asia working closely with the Institute for Sustainable Communities. See http://www.iscvt.org/ehs-network-activates-supplier-leadership/</p> <p>In our pre-screening new suppliers, we will disqualify any factory which is found to be operating in an unsafe way, or whose work practices are life-threatening or likely to cause serious injury to workers. Where we identify any structural fault or deviation with building permit requirements, we normally require an independent engineering report and certificate before accepting a factory into our supply chain.</p>	
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.8.a Women's rights (in own production or manufacturing operations)	
Indicator description	The Company recognises the relevance of women's rights for the industry, given the prevalence of women workers and the different dimensions of inequality they often face. The Company has measures in place to implement its policy commitment to eliminate discrimination against women through: providing equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment, which may include setting up women's committees that report to management to address and resolve issues. In addition, the Company has in place measures to eliminate health & safety concerns that are particularly prevalent among women workers (e.g. sexual harassment, impact of pesticides on pregnant women).	
Score 1 Requirement	<p>The Company describes its processes to prohibit harassment, intimidation and violence against women OR it describes how it takes into account differential impacts on women and men of working conditions, including to reproductive health OR it describes how it provides equality of opportunity for women in the workforce that are monitored and maintained throughout all levels of employment.</p> <p>adidas Labour Rights Charta states the following: "Equal opportunities for all employees and a prohibition on discrimination based upon one's membership in a lawfully protected category are fundamental principles of our corporate policy. No person is to be unfairly disadvantaged, favoured or ostracized because of ethnic or racial status, colour, nationality, descent, religion, caste, gender, gender identity, age, physical characteristics or appearance, genetic information, sexual orientation, physical or mental disability, union membership, military or veteran status, political affiliation, HIV/AIDS, parental status or any other category protected by applicable local law. Harassment of any kind is forbidden. We expect our employees to be honest and fair in their dealings with colleagues and third parties. We believe Diversity is a key success factor for our business." See http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf</p> <p>The Charta provision is further detailed by adidas policy on equal employment. This policy lays down that adidas and all its entities are, in accordance with the respective local legislation and laws, an equal opportunity employer and make employment decisions on the basis of merit. Under no circumstances adidas will discriminate individuals on the basis of race, colour, religious creed, national origin, sex, sexual orientation, age, ancestry, disability or others. A comprehensive overview on Group's diversity approach is given on its website: https://www.adidas-group.com/en/sustainability/people/employees/#/vielfalt-und-inklusion/ See Response to Score 1 above</p>	
Score 2 Requirement	The Company meets all of the requirements under Score 1.	
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.8.b Women's rights (in the supply chain)	
Indicator description	The Company recognises the relevance of women's rights for the industry, given the prevalence of women workers and the different dimensions of inequality they often face. The Company ensures its suppliers have measures in place to implement its policy commitment to eliminate discrimination against women through: providing equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment, which may include setting up women's committees that report to management to address and resolve issues. In addition, the Company ensures its suppliers have measures in place to eliminate health & safety concerns that are particularly prevalent among women workers (e.g. sexual harassment and physical security).	
Score 1 Requirement	<p>The Company includes women's rights guidelines, including the provision of equal pay for equal work, and measures to ensure equal opportunities throughout all levels of employment and to eliminate health and safety concerns that are particularly prevalent among women workers, in its contractual arrangements with its suppliers or in its supplier code of conduct OR the Company works with suppliers to improve their practices in relation to women's rights.</p> <p>We follow a holistic approach to uphold women's rights, ensure gender equality and protect against all forms of gender-based discrimination, internally, and through our business relationships. For information on womens rights, see subsection Women in the supply chain at: https://www.adidas-group.com/en/sustainability/people/factory-workers/#/wanderarbeit/ Gender issues are also captured in our Workplace Standards, through our prohibition of discrimination and promotion of equality. Specific tailored guidance on women's rights issues can be found in our Employment Guidelines, which references the elimination of all forms of discrimination against women and the protection of specific rights for women, with various sections addressing wages, working hours, benefit, leave entitlements, etc. for women who are pregnant, on maternity or who are lactating mothers, as well as detailed guidance on handling sexual harassment, privacy, and disciplinary practices where these affect female workers. These guidelines provide examples of common areas of non-compliance and best practice for suppliers to follow. See https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf</p>	

Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	See here, under sub section Worker Satisfaction Survey Female Workers' Feedback: https://www.adidas-group.com/en/sustainability/people/factory-workers/#/wanderarbeit/ , for a summary of the feedback received from women workers. We use the survey results to further improve supplier practices in relation to women's rights.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.9.a Working hours (in own production or manufacturing operations)	
Indicator description	The Company respects applicable international standards and national laws and regulations concerning maximum working hours and minimum breaks and rest periods. The Company also assesses the ability of workers within its factories to comply with its commitments to respect working hours and minimum breaks and rest period when allocating work or setting targets.	
Score 1 Requirement	The Company indicates that it respects applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods in its own operations.	adidas Labour Rights Charta is framed by a commitment to meet international labour standards. Moreover, adidas Labour Rights Charta requires all group entities, including our own manufacturing operations, to "comply with all applicable laws and agreements on working time and paid leave. We respect the right to rest and leisure, including vacation with pay and the right to family life. Where possible we will aim to offer more flexible work patterns to enable our employees to balance company with personal demands manifested in our Group's work life balance statement" See: http://www.adidas-group.com/media/filer_public/2013/07/31/adidas_group_labour_rights_charta_may_2011_en.pdf The global Human Resources organization has issued employment policies which require the business entities to strictly adhere to local laws and requirements in regards to working hours.
Score 2 Requirement	The Company also describes how it implements and checks this practice in its operations.	Compliance with these policies are regularly reviewed and audited by the Group Internal Audit function. Own production sites are located in countries where robust surveillance processes are conducted by local authorities.
CHRB REQUIREMENT DETAILS		COMPANY SELF ASSESSMENT
INDICATOR	D.2.9.b Working hours (in the supply chain)	
Indicator description	The Company ensures its suppliers respect applicable international standards and national laws and regulations concerning maximum working hours and minimum breaks and rest periods. The Company also assesses the ability of suppliers to comply with its commitments to respect working hours and minimum breaks and rest period when allocating work or setting targets in its purchasing orders.	
Score 1 Requirement	The Company includes working hours guidelines, including respect for applicable international standards and national laws and regulations concerning maximum hours and minimum breaks and rest periods, in its contractual arrangements with its suppliers or supplier code of conduct OR the Company describes how it works with suppliers to improve their practices in relation to working hours.	Our suppliers are contractually bound to uphold our Workplace Standards and associated guidelines and policies. Section 3.6 of our Employment Guidelines specifically addresses the topic of working hours and is aligned with international human rights norms and ILO labour standards. It also sets out the duty to employees to abide by local law (p 26), to properly manage and ensure overtime is always voluntary (pages 30, 32 and 35), that workers receive appropriate breaks and rest (p 19), that working hours restriction are followed, for example those that apply to juveniles and pregnant workers (pages 62-63) and that working hours are properly and transparently recorded. See https://www.adidas-group.com/media/filer_public/02/86/0286659a-40ea-427f-9f26-64eb3013b1ca/2016_employment_guidelines.pdf Excessive working hours is treated as a threshold issue in the pre-screening of new suppliers. If excessive hours are identified adidas would normally work with suppliers to develop appropriate human resources and productivity initiatives, to address the working hours issues. For our strategic partners, working hours tracking reports must be submitted monthly by our suppliers and shared with SEA for our review, to check overall work patterns.
Score 2 Requirement	The Company meets both of the requirements under Score 1 AND provides an analysis of trends in progress made.	An analysis of trends is not currently available for disclosure