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Policy on Responsible Recruitment and Fair Treatment of Migrant Workers

We are committed to eliminating the practice of migrant workers paying recruitment costs and fees to secure their employment. We support the Dhaka Principles for Migration with
Dignity to enhance respect for the rights of migrant workers from the moment of recruitment, during employment and through to further employment or safe return, and endorse the Employer Pays
Principle, that no worker should pay for their job.

In addition to the Dhaka Principles, our commitment to responsible recruitment and fair treatment of migrant workers is reflected in our engagement in industry-wide initiatives to address these topics. In March 2023, we renewed our support of the joint American Apparel & Footwear Association (AAFA) and Fair Labor Association (FLA) Apparel & Footwear Industry Commitment to Responsible Recruitment, pledging to work with our suppliers to ensure:

- 1. No worker pays for their job;
- 2. Workers receive a timely refund of fees and costs paid to obtain or maintain their job;
- 3. Workers retain control of their travel documents and have full freedom of movement; and
- 4. All workers are informed of the basic terms of their employment before leaving their country of origin.

Taken together, these principles underpin our approach for ensuring the responsible recruitment and fair treatment of migrant workers. Our commitment and expectations for suppliers regarding responsible recruitment are outlined in our Workplace Standards, and detailed in our Guidelines on Employment Standards.

ZERO TOLERANCE

Our <u>Workplace Standards</u>, the adidas supplier code of conduct, clearly outlines our zero tolerance approach for any form of forced labor:

Forced Labor: Business partners must not use forced labour, whether in the form of prison labour, indentured labour, bonded labour or otherwise, or permit the trafficking in persons for the purposes of forced labour. No employee may be compelled to work through force or intimidation of any form, or as a means of political coercion or as punishment for holding or expressing political views.

Our <u>Guidelines on Employment Standards</u> outline critical provisions and processes which suppliers can implement to conduct responsible recruitment. These provisions include the following elements, which align with the International Labour Organization (ILO) <u>General Principles and Operational Guidelines for Fair Recruitment and Definition of Recruitment Fees and Related Costs</u>:

- Respect for Human Rights: Recruitment should take place in a way that respects, protects and fulfills internationally recognized human rights, including those expressed in international labor standards, and in particular the right to freedom of association and collective bargaining, and prevention and elimination of forced labor, child labor and discrimination in respect of employment and occupation.
- Compliance with National Law: Recruitment should respect the applicable national laws, regulations, employment contracts and applicable collective agreements of countries of origin, transit and destination.

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- Monitoring Recruitment Agencies: In the absence of direct recruitment, workers must be hired through ethically compliant labor brokers and recruitment agencies. Suppliers must have a formal policy and due-diligence process in place for vetting recruitment agencies responsible for the labor supply.
- **No Fees**: No recruitment fees or related costs should be charged to, or otherwise borne by, workers. A clear definition on the types of fees and costs can be found in the Responsible Recruitment section of the Guidelines on Employment Standards.
- Clear, Written Contracts: The terms and conditions of employment should be through written contracts in accordance with national laws, regulations, employment contracts and applicable collective agreements. They should be clear and transparent, and in a language that the worker can understand. Workers' agreements to the terms and conditions of recruitment and employment should be voluntary and free from deception or coercion.
- **Freedom of Movement**: Freedom of workers to move within a country or to leave a country should be respected. Workers' identity documents such as passports, land title deeds, diplomas, employment contracts and so on should not be confiscated, destroyed or retained.
- **Grievance Mechanisms**: Workers should have access to free or affordable grievance and other dispute resolution mechanisms without fear of recrimination or dismissal, and effective and appropriate remedies where abuse has occurred.
- Safe and Free Return: Workers should be free to terminate their employment and, in the case of migrant workers, to return to their country. Migrant workers should not require the employer's or recruiter's permission to change employers in the host country on completion of their first contract or after two years, whichever is less.
- **Right to Information**: At all times workers should have access to free, comprehensive and accurate information regarding their rights and the safe and healthy working and living conditions of their employment.

By implementing responsible recruitment, employers ensure migrant workers are hired lawfully, and in a fair and transparent manner that respects their dignity and human rights. While foreign migrant workers face specific risks during their journeys, provisions on responsible recruitment apply to all workers employed in our supply chain.