

For immediate release

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adidas Group launches new Sustainability Strategy; publishes 2015 Sustainability Progress Report

Herzogenaurach – Today, the adidas Group launches its Sustainability Strategy 'Sport needs a space' as part of its 2015 Sustainability Progress Report. Deeply rooted in the company's core belief that sport has the power to change lives, the Strategy translates the Group's sustainable efforts into tangible goals and measurable objectives until 2020. All actions taken based on the Sustainability Strategy have a direct positive impact on the world of sport, in order to ensure that sport remains an infinite source of happiness.

'Sport needs a space' is the result of extensive consumer research the company has done to validate its understanding of how important sport is for well-being, values and working together as well as for our overall society. The most striking learning is that 93% of people interviewed said they would hate or dislike a world without places to participate in sport. As reported, "It would be an unbearable world with little enjoyment; a miserable place with lack of energy".

"Through sport we have the power to change lives and create lasting positive social change," says Herbert Hainer, adidas Group CEO. "At the same time, sport needs a space like a field to play on, an ocean to surf or a mountain to climb. These spaces are increasingly endangered because of human-made threats such as resource depletion, climate change or overpopulation. This is why we want to take action and be the guardians of these spaces with sustainable work that addresses these challenges."

Expanding the previous sustainability scope and building on the company's track record, 'Sport needs a space' is a holistic strategy framework that follows the entire lifecycle of sport, from the spaces where sport is **made** (all places where products are created, designed, manufactured and shipped), **sold** (own retail, wholesale and e-commerce) and **played** (from the indoor court to the outdoor pitch all over the world).

Further broken down into the two main areas of product and people, the following six strategic priorities – being most material to the adidas Group – tackle the challenges that endanger the spaces of sport.

Product:

<u>Water</u>

The most endangered resource is also the most essential one. The company's approach addresses water efficiency, quality and accessibility.

Materials

The adidas Group is committed to driving closed-loop solutions and extending the use of more sustainable materials such as Better Cotton, Recycled Polyester and Ocean Plastic.



<u>Energy</u>

The company will continue to reduce its absolute energy consumption, transition to clean energy and look into energy harvesting opportunities.

People:

Empowerment

People are at the heart of the adidas Group strategy. From factory workers to employees and consumers, the focus is on ensuring they understand and exercise their rights, make informed decisions and unlock their potential.

Health

Sport has a direct link to happiness and health. The company will strive to enable people across the world to participate in sports activities and educate them on physical and mental health, thus allowing them to lead a healthier and more fulfilled lifestyle.

Inspiring action

Whether it is about supporting employees in becoming agents of change in the communities they work, live and operate in or engaging with creators and influencers to drive innovations, the company will harness the power of sport to inspire people around the world to take action.

Click here to learn more about the specific targets: http://www.adidas-group-sustainability-strategy-2020-goals-and-ambitions-eng.pdf

"This new strategy is our most holistic Sustainability Strategy to date. It is the combination of our best ambitions, our strong track record in sustainability and our steady learnings," says Frank Henke, adidas Group VP for Social & Environmental Affairs. "The strategy will continue to evolve and grow, depending on the development of new technologies and programmes. While the priorities we have identified will not change, we will continue to work on them as situations evolve and new challenges arise."

Click here to watch the video https://youtu.be/vnSi2cwM-A4

The strategy presentation comes with the publication of the 2015 adidas Group Sustainability Progress Report, the 16th published by the company so far. The report is an annual overview of achievements and challenges and it closes a process which started back in 2010.

Some highlights from the 2010-2015 cycle include:

- The adidas Group suppliers' social & environmental performance as tracked through KPIs has seen a significant improvement.
- The <u>SMS Worker Hotline</u>, launched at the end of 2012, was expanded to a total of 58 factories across Indonesia, Cambodia and Vietnam, covering roughly 263,000 factory workers.



- Since 2010, employee volunteering hours have reached a total of 150,000.
- Better Cotton has increasingly been sourced, with the company now sourcing 43% of all its cotton as <u>Better Cotton</u>. The company is well on track to source 100% of cotton across all product categories in all its brands as 'sustainable cotton'.
- The increasing use of virtual samples allowed the Group to save 2.4 million samples between 2011 and 2015.
- While initially aiming to certify five of the company's sites globally, the adidas Group now has 13 sites with ISO 14001 certification.
- Important partnerships started in the period 2010-2015 are: Sustainable Apparel Coalition (SAC); Zero Discharge of Hazardous Chemicals (ZDHC); bluesign® technologies; Parley for the Oceans.

This year's report is available online at http://www.adidas-group.com/en/sustainability/reporting-policies-and-data/sustainability-reports/

For more information about the adidas Group's continuing efforts, visit http://www.adidas-group.com/en/sustainability/managing-sustainability/general-approach/.

About the adidas Group

The adidas Group is a global leader in the sporting goods industry, offering a broad portfolio of footwear, apparel and hardware for sport and lifestyle around the core brands adidas, Reebok, TaylorMade and Reebok-CCM Hockey. Headquartered in Herzogenaurach, Germany, the Group employs more than 55,000 people across the globe and generated sales of around $\mathfrak E$ 17 billion in 2015.

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