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## **Annual General Meeting of adidas AG on May 12, 2021**

### **Counter motions**

In the following, please find counter motions on Agenda Item 2 and Agenda Item 3 of the Annual General Meeting 2021 which must be made accessible pursuant to § 126 German Stock Corporation Act (Aktiengesetz - AktG). The counter motions and their statements of reasons reflect the views of the author as submitted to us. Factual claims are also published by us unaltered and unverified, to the extent that they must be made accessible.

**Please note:** the following English version is only a convenience translation of the German original. In case of any deviations, the German version shall be decisive. The full wording of the German version is disclosed under [www.adidas-group.com/hv](http://www.adidas-group.com/hv).

#### **ADIDAS AG**

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Chairman of Supervisory Board: Thomas Rabe / Chief Executive Officer: Kasper Rorsted /  
Executive Board: Roland Auschel, Brian Grevy, Harm Ohlmeyer, Amanda Rajkumar, Martin Shankland  
Local Court Fuerth HRB 3868 / VAT ID NO: DE 132490588

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**Counter motions of the Association of Ethical Shareholders Germany regarding the  
Annual General Meeting of adidas AG on May 12, 2021**

**On Item 2: Resolution on the appropriation of retained earnings**

The Association of Ethical Shareholders Germany proposes that the appropriation of retained earnings as proposed by the management be rejected.

**Statement of reasons:**

Although adidas benefited strongly from government assistance to overcome the consequences of the corona pandemic, the Executive Board and Supervisory Board propose a higher dividend than in the years 1999 - 2017.

While adidas has paid back the EUR 500 million bridging loan from the state-owned KfW-Bank, the short-time work in 2020 remains problematic. It means that it is above all the contribution made by adidas' employees and by society that allows for a dividend payment to be even possible. Because: Since 2020, short-time working allowances are de facto financed through taxes and must thus be considered a further state-provided support measure for companies during the corona crisis. Support was increased and the employers' social contributions were reimbursed, so that the German government had to provide considerable liquidity support for the Federal Employment Agency due to high demand.

The consequences of the pandemic which were mitigated for adidas by the state through short-time working allowance and the bridging loan are thus borne by society while profits are now to be privatized. Tax money which is actually meant to secure employment is therefore also used to finance the proposed dividend.

A lower dividend and complete repayment of all state-provided aids, including the savings through short-time work, would have shown clearly that adidas also wants to show responsibility for society. Therefore, we will not ratify the Executive Board's actions either.

**On Item 3: Resolution on the ratification of the actions of the Executive Board for the 2020 financial year**

The Association of Ethical Shareholders Germany proposes that the actions of the members of the Executive Board for the 2020 financial year shall not be ratified.

**Statement of reasons:**

The Executive Board of adidas AG is not adequately fulfilling its responsibility to implement more effective measures for meeting social standards within its own supply chains. It is true that adidas is intensifying its efforts above all in Asia and insists on ending forced labor, child labor or life-threatening conditions in the

areas of health, occupational safety and environment. The fact that adidas has had to terminate its collaboration with suppliers on various occasions shows that this is urgently required. However, stricter controls are necessary to ensure a consistent exclusion of systematic violations of the ILO core labor standards and other internationally recognized social and environmental standards and to also meet the requirements of the Supply Chain Act already adopted by the German Cabinet.

### **Case of outstanding wage payments at two supplier factories in El Salvador**

In the first few months of the corona pandemic, the global textile market experienced a major slump. Production had to be stopped in many countries. The suppliers had to lay off workers and did not pay any wages or only strongly reduced wages for several months. The workers, who receive extremely low wages under normal circumstances, were left to their own devices and were barely able to support their families with the absolute necessities. The consequences were indebtedness and hunger.

Wage losses also occurred in the production environment of adidas. Numerous trade unions in El Salvador, Guatemala, Honduras and Nicaragua now demand from brands such as adidas that they ensure the subsequent payment of outstanding wages.

The regional coordinating office of trade unions in textile factories in Central America (*Regionale Koordinationsstelle der Gewerkschaften in Textilfabriken in Mittelamerika*) reports that 757 men and women in the sewing workshops of the Varsity Pro factory, where clothes for adidas are produced, were laid off shortly after the government of El Salvador imposed the curfew due to infection protection in March 2020. A further 700 men and women in the sewing workshops had to go on compulsory leave. The Impression Apparel Group factory, an adidas supplier in El Salvador, only paid tailors and seamstresses two so-called corona bonuses in the amount of USD 41.33 during the three-months compulsory leave. For comparison: A minimum of USD 200 a month is necessary to feed a family. Martha Hernández, a seamstress in the factory, describes the difficult situation: “How should our families survive on this? After all, we had to continue paying for our food, rent, water and electricity. We had to go into debt.”

As early as in the third quarter of the corona year 2020, after sales declines in the first months of the corona pandemic, adidas had returned to making profits similar to those of the previous year. Instead of taking active measures to ensure living wages and the social security of the tailors and seamstresses, adidas used the system of complex supply chains to shift the social responsibility and the costs of the corona crisis onto the men and women in the sewing workshops.