

## CHEMICALS MANAGEMENT AT THE ADIDAS GROUP

The management of chemicals in multi-tiered supply chains is a complex challenge, requiring many actors to play a role in achieving effective and sustainable solutions. For years, the adidas Group has been running leadership programmes that address this topic within its area of direct influence. Important steps have been:

- For our products, we have never used SF6 gases, which are amongst the most severe ozone depleting substances.
- In **1989**, we banned the use of CFCs (chlorofluorocarbons) in our supply chain, for all our products.
- In 1998, we adopted a comprehensive and detailed <u>Restricted Substances Policy</u> for
  product materials, prohibiting the use of chemicals considered as harmful or toxic. Not
  only does the policy cover the strictest local requirements, it also includes best
  practice standards as recommended by consumer organisations. It was the first policy
  in the industry that clearly indicated test and pre-treatment methods for restricted
  substances.
- In **1999**, we launched our general compliance auditing programme which included and considered environmental, health and safety impacts of our main manufacturing partners, including the handling, storage and use of chemicals in the workplace and waste and wastewater treatment and disposal.
- In the year **2000**, we committed to the phase-out of PVC materials from our main product categories the first company in our industry to do so.
- In the year **2000**, we introduced new technologies to significantly reduce volatile organic compounds (VOCs) in footwear manufacturing by using innovative bonding technologies and water-based cement systems.
- In **2002**, we launched the adidas Group's Environmental, Health & Safety Guidelines, as well as the Guide to Best Environmental Practice. These are comprehensive and detailed standards for suppliers on handling, storage and disposal of chemicals, waste water treatment and effluents.
- In **2002**, we were the first in our industry to introduce a ban on six high risk and hazardous chemicals used in our manufacturing facilities.
- In **2004**, we were among the founding members of the Better Cotton Initiative, which addresses the negative social and environmental impacts of mainstream cotton farming, such as excessive pesticide and water use. Better Cotton is grown in a way that reduces the amount of chemicals used.



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- In **2006**, the adidas Group joined the Leather Working Group and committed to the implementation of an audit protocol for all our leather suppliers. The protocol sets standards for sound chemical management at tannery sites, with a focus on restricticted substances, water effluents, hazardous waste and emissions.
- In **2008**, we started environmental audits for our suppliers based on a rigorous environmental audit protocol that includes chemicals management (risk management, handling, use and storage of chemicals). As of 2010, mills and dyehouses have been included into our audit scope as well. In 2012, nearly 200 environmental audits were conducted, 50 of which were at mills and dyehouses.
- In **2010**, we launched the adidas Group's Environmental Strategy, which includes chemicals as one important environmental aspect.
- In **2010**, we also published a new and dedicated Environmental Guideline, detailing our policy on hazardous chemicals and chemical substitution. We expanded our list of banned chemicals to 12, based on toxicity and potential health risk.
- In **2011**, we committed to zero discharge of hazardous chemicals in our supply chain by 2020.
- In **2012**, we launched adidas DryDye, a new technology which eliminates the need for water in the dyeing process, therefore also reducing the use of chemicals.
- In **2013**, in the framework of the Joint Roadmap for the elimination of hazardous chemicals by 2020, we committed to phase out the use of long-chain PFCs by no later than January 1, 2015. As a further step, we have committed to being 90% PFC free in our products as of June 15, 2014, and 99% PFC-free by no later than December 31, 2017.
- In **2014**, we announced a strategic partnership with <u>bluesign technologies</u> to further drive sustainable solutions in the Group's global supply chain.

Moreover, we continue to promote and support collaborative actions within the sportswear and apparel industry to gain greater leverage in improving the environmental impacts of factory operations. This is shown through our active membership within key industry groups. For example, the Sustainable Apparel Coalition, the Roadmap toward Zero Discharge of Hazardous Chemicals, the AFIRM Working Group on Restricted Substances, the Chemicals Management Working Group of the Outdoor Industry Association (OIA) and in the Global Social Compliance Program (GSCP).