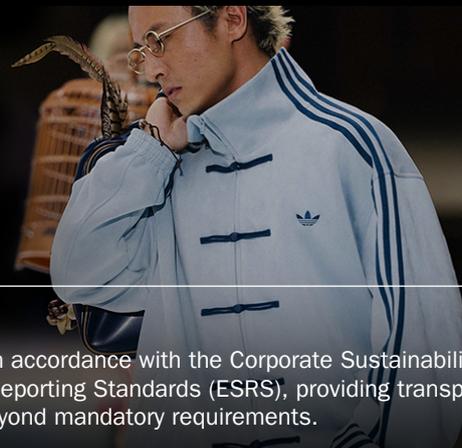


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SUSTAINABILITY STATEMENT**

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General Disclosures

For the year 2025, we report for the second time in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), providing transparent and comparable sustainability information that goes beyond mandatory requirements.

For this reporting period, the material topics on which we report remained the same compared to the previous year. Our double materiality assessment remains valid, ensuring consistency and comparability over time.

SBM-1 – Overview of adidas’ value chain stages

Upstream	Own operations	Downstream
Production by independent manufacturing partners	Design, development, marketing, distribution, direct-to-consumer sales, and support functions	Sales through wholesale partners to consumers, and use and disposal of products

IRO-1 – Material impacts in our value chain

Environmental	Social	Governance
Material environmental impacts occur mainly in the upstream value chain. We have established teams that work in close collaboration with our independent manufacturing partners to manage material impacts, e.g., GHG emissions, water, biodiversity, waste, and use of chemicals.	Material social impacts occur at every stage of the value chain and relate to the workers of independent manufacturing partners, our own employees, and our consumers. We have established teams and functions that manage material impacts, such as the Social & Environmental Affairs team to manage human rights and working conditions in the supply chain, the HR function to manage topics related to our own workforce, and the Marketing and Sales functions to manage consumer interests.	Material governance-related impacts, such as compliance and corporate culture topics are managed by the Legal function, i.e., the Compliance team together with HR.

Environment



ESRS E1
Climate Change



ESRS E2
Pollution



ESRS E3
Water and Marine Resources



ESRS E4
Biodiversity and Ecosystems



ESRS E5
Resource Use and Circular Economy

Social



ESRS S1
Own Workforce



ESRS S2
Workers in the Value Chain



ESRS S3
Affected Communities



ESRS S4
Consumers and End-Users

Governance



ESRS G1
Business Conduct

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BP-1	▶ Basis for preparation
BP-2	▶ Disclosures in relation to specific circumstances
GOV-1	▶ The role of administrative, management and supervisory bodies
GOV-2	▶ Oversight of sustainability IROs
GOV-3	▶ Sustainability matters addressed by management
GOV-4	▶ Statement on sustainability due diligence
GOV-5	▶ Sustainability reporting risk management
SBM-1	▶ Strategy, business model, and value chain
SBM-2	▶ Interests and views of stakeholders
SBM-3	▶ Double materiality assessment result
IRO-1	▶ Double materiality assessment process
IRO-2	▶ Disclosure requirements covered by the Sustainability Statement
E1 Climate Change	
E1, GOV-3	▶ Sustainability-related incentive schemes
E1-1	▶ Transition plan for climate change mitigation
E1, SBM-3	▶ Material IROs and their interaction with strategy and business model
E1, IRO-1	▶ Description of the processes to identify and assess material climate-related IROs
E1-2	▶ Policies related to climate change mitigation and adaptation
E1-3	▶ Action and resources in relation to climate change policies
E1-4	▶ Targets related to climate change mitigation and adaptation
E1-5	▶ Energy consumption and mix
E1-6	▶ Gross Scope 1, 2, 3 and total GHG emissions
E1-7	▶ GHG removals and GHG mitigation projects financed through carbon credits
E1-8	▶ Internal carbon pricing
E2 Pollution	
E2, SBM-3	▶ Material IROs and their interaction with strategy and business model
E2, IRO-1	▶ Description of the processes to identify and assess material pollution-related IROs
E2-1	▶ Policies related to pollution
E2-2	▶ Actions and resources related to pollution
E2-3	▶ Targets related to pollution
E3 Water and Marine Resources	
E3, SBM-3	▶ Material IROs and their interaction with strategy and business model
E3, IRO-1	▶ Description of the processes to identify and assess material water and marine resource-related IROs
E3-1	▶ Policies related to water and marine resources
E3-2	▶ Actions and resources related to water and marine resources
E3-3	▶ Targets related to water and marine resources
E4 Biodiversity and Ecosystems	
E4-1	▶ Transition plan and consideration of biodiversity and ecosystems in strategy and business model
E4, SBM-3	▶ Material IROs and their interaction with strategy and business model
E4, IRO-1	▶ Description of the processes to identify and assess material biodiversity and ecosystem-related IROs
E4-2	▶ Policies related to biodiversity and ecosystems
E4-3	▶ Actions and resources related to biodiversity and ecosystems
E4-4	▶ Targets related to biodiversity and ecosystems

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E5, IRO-1	▶ Description of the processes to identify and assess material resource use and circular economy-related IROs
E5-1	▶ Policies related to resource use and circular economy
E5-2	▶ Actions and resources related to resource use and circular economy
E5-3	▶ Targets related to resource use and circular economy
E5-4	▶ Resource inflows
E5-5	▶ Resource outflows
S1 Own Workforce	
S1, SBM-2	▶ Interests and views of stakeholders
S1, SBM-3	▶ Material IROs and their interaction with strategy and business model
S1-1	▶ Policies related to own workforce
S1-2	▶ Processes for engaging with own workers and workers' representatives about impacts
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S1-5	▶ Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	▶ Characteristics of the undertaking's employees
S1-8	▶ Collective bargaining coverage and social dialogue
S1-9	▶ Diversity metrics
S1-10	▶ Adequate wages
S1-14	▶ Health and safety metrics
S1-16	▶ Remuneration metrics (pay gap and total remuneration)
S1-17	▶ Incidents, complaints, and severe human rights impacts
S2 Workers in the Value Chain	
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S2, SBM-3	▶ Material IROs and their interaction with strategy and business model
S2-1	▶ Policies related to value chain workers
S2-2	▶ Processes for engaging with supply chain workers about impacts
S2-3	▶ Processes to remediate negative impacts and channels for value chain workers to raise concerns
S2-4	▶ Taking action on material impacts, risks and opportunities related to workers
S2-5	▶ Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S3 Affected Communities	
S3, SBM-2	▶ Interests and views of stakeholders
S3, SBM-3	▶ Material IROs and their interaction with strategy and business model
S3-1	▶ Policies related to affected communities
S3-2	▶ Processes for engaging with affected communities about impacts
S3-3	▶ Processes to remediate negative impacts and channels for affected communities to raise concerns
S3-4	▶ Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions
S3-5	▶ Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

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S4, SBM-3	▶ Material IROs and their interaction with strategy and business model
S4-1	▶ Policies related to consumers and end-users
S4-2	▶ Processes for engaging with consumers and end-users about impacts
S4-3	▶ Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4	▶ Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
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G1, IRO-1	▶ Description of the processes to identify and assess material impacts, risks and opportunities
G1-1	▶ Business conduct policies and corporate culture
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G1-3	▶ Prevention and detection of corruption and bribery
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Basis for preparation

BP-1 – General basis for preparation of the Sustainability Statement

This Sustainability Statement provides a comprehensive overview of the material sustainability matters of adidas in the 2025 financial year. It is part of our Annual Report, which is published as an online version and in .pdf format on our corporate website. The reporting period is the financial year from January 1 to December 31, 2025.

The Sustainability Statement has been audited with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ('PwC'). It has been prepared for the adidas Group on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRS). It also fulfils the requirements for non-financial reporting obligations in accordance with §§ 289b ff. and 315b to 315c of the German Commercial Code (HGB) (combined non-financial statement).

The Sustainability Statement has been prepared on a consolidated basis and includes adidas AG and all its direct and indirect subsidiaries. An entity is considered a subsidiary if it is controlled by adidas AG. The scope of consolidation of the Sustainability Statement therefore follows the financial reporting scope. Further information on the scope of consolidation can be found here:

▶ SEE NOTE 02

The Sustainability Statement generally covers the value chain to the following extent: upstream, downstream, and our own operations. It does not cover all possible value chain activities or actors, but does so only where material information is present. We have not yet achieved full transparency, especially in our multi-tiered upstream supply chain but also in the downstream supply chain. We are continuously working to increasing this transparency, however, and explain related updates in the topical standards. adidas has evaluated all ESRS standards and (sub-)sub-topics with a focus on its material impacts, risks

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and opportunities (IROs). The disclosures have been prepared in accordance with the guidance laid out in ESRS 1.

No information corresponding to intellectual property, know-how or the results of innovations has been omitted. The exemption from disclosure of impending developments or matters in the course of negotiations does not apply.

BP-2 – Disclosures in relation to specific circumstances

Time horizons

The general definition of the time horizons applied by adidas is in line with the ESRS definition in ESRS 1 section 6.4. The same time horizons are applied for the adidas risk management methodology:

- Short-term: 1 year (equal to the reporting period of our financial statements)
- Medium-term: 2-5 years
- Long-term: ≥ 6 years

Changes in preparation or presentation of sustainability information

In section ESRS E5-4 'Resource inflows,' the overview of materials used in adidas products and packaging has been newly created. In 2024, we presented two tables, with one covering the inflow of product material and the other covering packaging material. To ensure more clarity for the reader, we have combined both tables into one, and we have consolidated the different materials into the biological and technical categories. To allow for comparability, we structured the prior-year data in the same way. The total material inflow in tons corresponds to the figure published in the previous year.

► SEE ESRS E5-4 – RESOURCE INFLOWS

Measurement basis

The information on methodologies and, if applicable, calculation factors, estimations (including value chain estimations, sources, measurement and outcome uncertainties, planned actions to improve accuracy of metrics, approximations and judgments) and assumptions and limitations is listed in the topical standards with the relevant metrics along with references. The validation of the measurement of all disclosed metrics by an external body other than the assurance provider, if applicable, is outlined in the respective topical standards.

This Sustainability Statement contains forward-looking statements based on estimates that we have made using the information available to us at the time this Sustainability Statement was prepared. Such forward-looking statements are subject to uncertainties that are beyond the control of the company. In case the underlying assumptions turn out to be incorrect or the described risks or opportunities materialize, actual results and developments may deviate materially (negatively or positively) from those expressed in these statements.

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Incorporation by reference

The ESRS disclosure requirements listed below are covered by references in the sections To our Shareholders and Group Management Report of this Annual Report:

- ESRS 2 SBM-1 – Strategy, business model and value chain
- ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model
- ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The relevant sections and the references themselves are identified using links and footnotes.

Disclosure in relation to the German commercial code

This Sustainability Statement, which has been prepared in accordance with the ESRS, also meets the requirements for the non-financial (group) statement prepared in accordance with §§ 289b ff. and 315b to 315c of the German Commercial Code (HGB) and thus represents the combined non-financial statement for the adidas Group and adidas AG.

In order to fulfill our reporting obligations under commercial law, we declare the following
The full application of the European Sustainability Reporting Standards (ESRS) as a framework in accordance with §§ 315c (3) in conjunction with 289d HGB is based on the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

As part of our double materiality assessment and our company-wide risk management system, we identify and assess risks and opportunities using a consistent methodology that includes, among others, likelihood of occurrence, time horizons, and impacts. This results in material risks arising from our own business activities as well as from business relationships, products, and services that could have a negative impact on non-financial aspects.

▶ SEE RISK AND OPPORTUNITY REPORT

Disclosures based on the EU Taxonomy regulation

In addition, with this Sustainability Statement, the adidas Group is meeting the requirements of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereafter EU Taxonomy Regulation).

▶ SEE EU TAXONOMY

Additional information on the non-financial statement of adidas AG in accordance with § 289b HGB

In accordance with § 289b (2) HGB, adidas AG is making use of the option to refer to the adidas Group's sustainability statement prepared in accordance with ESRS with regard to the content of its non-financial statement. As this contains all information relevant to stakeholders, no framework was applied for the non-financial statement of adidas AG. adidas AG is the parent company of the adidas Group and is responsible for all corporate decisions.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

As a globally operating stock corporation with its registered seat in Herzogenaurach, Germany, adidas AG is subject to, inter alia, the provisions of the German Stock Corporation Act (Aktiengesetz – AktG). One of the fundamental principles of German stock corporation law is a dual board system, whereby the Executive Board is responsible for the management of the company, and the Supervisory Board is responsible for advising and supervising the Executive Board. These two boards are strictly separated in terms of both members and competencies. However, both boards cooperate closely in the interest of the company.

We report in our Annual Report on the composition of the Executive Board and the Supervisory Board, including expertise, skills and diversity, roles and responsibilities, as well as expert committees. More detailed information can be found here:

▶ [SEE EXECUTIVE BOARD](#) ▶ [SEE SUPERVISORY BOARD](#) ▶ [SEE SUPERVISORY BOARD REPORT](#) ▶ [SEE DECLARATION ON CORPORATE GOVERNANCE](#)

The **Executive Board** is responsible for independently managing the company with the aim of sustainable value creation in the best interests of the company, and with developing the company's strategic orientation, coordinating it with the Supervisory Board, and ensuring its implementation. Furthermore, the Executive Board determines business objectives, the company's policy, and the organization of the Group. In this respect, the Executive Board also systemically assesses risks and opportunities for the company linked with social and environmental factors, as well as the environmental and social impact of its business activities. More detailed information on material impacts, risks and opportunities (IROs) management can be found below.

Additionally, the Executive Board ensures responsible management of business resources as well as compliance with and observance of legal provisions and internal regulations by the Group companies. For this purpose, the Executive Board sets up an Internal Control and Risk Management System adequate and effective in view of the scope of business activities and the company's risk situation which comprises a Compliance Management System aligned to the company's risk situation and also covers sustainability-related objectives/matters. The Executive Board is obligated to act in the company's interests and to strive for a sustainable increase in the value of the company.

The **composition of the Executive Board** is determined by the Supervisory Board and reflects the international structure of our company. Every decision by the Supervisory Board on the composition of the Executive Board is made in the best interests of the company and with due consideration of all circumstances in each individual case. The Executive Board is composed of four members:

- Bjørn Gulden – Chief Executive Officer
- Mathieu Sidokpohou – Chief Commercial Officer
- Harm Ohlmeyer – Chief Financial Officer
- Michelle Robertson – Global Human Resources, People and Culture

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One member of the Executive Board is female and three are male (1:3). The percentage of female Executive Board members is therefore 25% in relation to the percentage of male Executive Board members, which is 75%. Thereby, the requirements of § 76 section 3a AktG are fulfilled, which stipulates that at least one woman and at least one man be appointed as members of the Executive Board. In addition, Executive Board members are subject to an age limit of 67 years.

The Executive Board's skills in sustainability matters are enhanced through regular updates from internal experts. More detailed information on each member of the Executive Board, including their expertise, skills and experience relevant to adidas' business, can be found here:

► [SEE EXECUTIVE BOARD](#)

The Executive Board reports to the Supervisory Board regularly, extensively, and in a timely manner on all matters relevant to the company's strategy, planning, business development, financial position, and compliance, as well as on material business risks. Fundamental questions related to the corporate strategy and its implementation are thoroughly discussed and aligned with the Supervisory Board.

Moreover, the **Supervisory Board** supervises and monitors the Executive Board in its conduct of business and advises on questions relating to the management of the company, including sustainability issues/matters.

The Supervisory Board is responsible for the appointment and dismissal of members of the Executive Board and for the allocation of their areas of responsibility as well as for the compensation system and the individual overall compensation of each Executive Board member.

When appointing new Executive Board members, the Supervisory Board ensures the best possible, diverse,¹⁸ and mutually complementary Executive Board composition for the company and, together with the Executive Board, ensures long-term succession planning. This ensures a sustainable process for identifying and evaluating successor candidates for Executive Board positions.

The Supervisory Board consists of 16 members with four female members and twelve male members (4:12). The percentage of female Supervisory Board members is 25% in relation to the percentage of male Supervisory Board members, which is 75%. It thereby fulfills the statutory requirements of § 96 section 2 sentence 1 AktG, stipulating that the Supervisory Board must be composed of at least two women and two men on the shareholder representatives as well as the employee representatives side, respectively. In accordance with the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), half of its members are representatives of shareholders and half are representatives of employees.¹⁹

More detailed information on the committees of the Supervisory Board, including their roles and responsibilities, can be found below and here:

► [SEE DECLARATION ON CORPORATE GOVERNANCE](#)

According to the **objectives for the composition of the Supervisory Board**, the Supervisory Board should be composed in such a way that qualified supervision of and advice to the Executive Board are ensured. Its members, on the whole, are expected to have the knowledge, skills, and professional experience required to properly perform the tasks of a supervisory board in a capital market-oriented international company in the sporting goods industry.

More details regarding the composition of the Supervisory Board are published here:

► [ADIDAS-GROUP.COM/BODIES](#) ► [SEE DECLARATION ON CORPORATE GOVERNANCE](#)

¹⁸ Diversity is understood in the broadest sense, including age, gender, cultural origin, nationality, educational background, professional qualifications, and experience

¹⁹ More detailed information on the Supervisory Board members can be found in the competency profile tables below.

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When preparing proposals for the election of shareholder representatives to the Supervisory Board, the Supervisory Board takes into account the objectives regarding its composition and, in particular, aims to fulfill the competency profile developed for the Supervisory Board as a whole. This profile also includes skills and expertise in the areas of business strategy development and implementation, personnel planning and management, accounting and financial reporting, governance/compliance, and sustainability issues/matters relevant to adidas, including ESG aspects. At least one member of the Supervisory Board must have expertise in the field of accounting, and at least one further member of the Supervisory Board must have expertise in the field of auditing. Accounting and auditing also include sustainability reporting and its audit and assurance. The Supervisory Board's skills in sustainability issues/matters are enhanced through regular updates from internal experts.

In the Supervisory Board's assessment, the Supervisory Board as a whole, in its current position, fulfills the objectives regarding its composition and the competency profile. A detailed overview can be found in the Declaration on Corporate Governance – Supervisory Board competency profiles.

► SEE DECLARATION ON CORPORATE GOVERNANCE

In general, the age limit for the Supervisory Board members at the time of their appointment is 72 years.

Regarding the independence of its members, the Supervisory Board considers the following provisions to be appropriate: More than half of the shareholder representatives of the Supervisory Board should be independent within the meaning of the German Corporate Governance Code. From the company's perspective, Supervisory Board members are to be considered independent if they have no personal or business relationship with the company or its Executive Board that may cause a substantial, and not merely temporary, conflict of interest. In the opinion of the Supervisory Board, all shareholder representatives qualified as independent in 2025. Consequently, the percentage of independent shareholder representatives is 100% – and accordingly 50% with regard to the whole Supervisory Board.

In addition, more than two-thirds of the shareholder representatives should be free of any potential conflicts of interest. This applies in particular to potential conflicts of interest that may arise as a result of an advisory or governing body function among customers, suppliers, lenders, or other third parties. As a rule, members of the Supervisory Board should not have a governing body or advisory function with any major competitor and should not have a personal relationship with any key competitor.

Finally, as a general rule, the length of membership of the Supervisory Board should not exceed twelve years or three terms of office.

The Supervisory Board and its committees regularly evaluate the efficiency of their work and resolve on individual measures to further improve the organization of the Supervisory Board's work. The Chairmen of the committees regularly report to the Supervisory Board on the results of the committee work.

Within adidas, there are various management and supervisory roles that are responsible for overseeing different aspects of **material impacts, risks and opportunities (IROs) management** throughout our company. At the highest level are the Executive Board and the Supervisory Board.

The members of the Executive Board and Supervisory Board are regularly informed by expert teams who are actively involved in managing all material IROs (in particular, for sustainability-related matters, the central ESG function, the Social & Environmental Affairs team, the Governmental Affairs team, the Legal team, Brand teams, Sourcing teams, Investor Relations, Sales, Enterprise Risk Management, Internal Controls, and Internal Audit), about matters including legislative changes related to sustainability, as well as risks and opportunities, in particular with regard to the increasing regulation of environmental/sustainability, social and corporate governance issues. This also includes relevant training opportunities. This ensures

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that sustainability topics are embedded into the company's decision making and regulatory/ reporting readiness and compliance.

The Executive Board determines business objectives, the company's policy, and the organization of the Group. In this context, the Executive Board also systemically assesses the risks and opportunities for the company related to social and environmental factors, as well as the environmental and social impact of its business activities. The Executive Board members manage relevant IROs as part of their regular responsibilities and coordinate with each other on all cross-functional measures. Collaboration within the Executive Board is governed by the Rules of Procedure of the Executive Board and the Business Allocation Plan. These documents specifically stipulate requirements for meetings and resolutions as well as for cooperation with the Supervisory Board.

► [ADIDAS-GROUP.COM/BODIES](https://www.adidas-group.com/bodies)

The Executive Board put in place an **Internal Control system** and **Risk Management system** in light of the scope of the business activities pursued by adidas and in light of its risk situation. This comprises, in particular, the Risk and Opportunity Management System, the Internal Control System, the Compliance Management System and the activities of Internal Audit team.

With regard to the **Risk and Opportunity Management System**, the Executive Board ensures comprehensive and consistent management of all relevant risks and opportunities, including sustainability-related objectives and matters. The Enterprise Risk Management department, reporting into the CEO, governs, operates, and develops the company's risk and opportunity management system and is the owner of the centrally managed risk and opportunity management process on behalf of the Executive Board.

The **Internal Control System** represents a process embedded in the company-wide corporate governance system. It is designed to provide continuous improvement of the reliability of the company's external financial reporting as well as the effectiveness and efficiency of operations, the reliability of non-financial reporting, and compliance with applicable laws and regulations. The effectiveness of the non-accounting-related controls is also regularly monitored by the Internal Audit department, reporting into the CEO, and the Global and Market Internal Controls teams.

The adidas Chief Compliance Officer (CCO) oversees the company's **Compliance Management System**, which is aligned with the company's risk situation. It establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business. The Global Policy Manual provides a framework for basic work procedures and processes, and the Fair Play Code of Conduct stipulates that all of our employees and business partners shall act ethically in compliance with the laws and regulations of the legal systems in which they conduct business. The Compliance Management System is designed to support the achievement of qualitative and sustainable growth through good corporate governance, to reduce and mitigate the risk of financial losses or damage caused by non-compliant conduct, and to protect and further enhance the value and reputation of the company and its brand through compliant conduct.

The **Internal Audit** department, which works independently from all other functions of the organization, provides the Executive Board and the Audit Committee with regular, objective assurance on the adequacy and effectiveness of the company's internal control system and risk management system.

More detailed information on the Internal Control System and Risk Management System can be found here:

► [SEE RISK AND OPPORTUNITY REPORT](#)

In addition, a **central ESG function**, reporting into the CEO, steers adidas' sustainability and ESG direction, including overseeing and monitoring the target setting relating to material impacts, risks and opportunities in collaboration with the Executive Board and relevant functions.

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The head of the central ESG function leads the Sustainability and ESG Steering Board (SSB). The SSB is composed of senior representatives from different functions across the company and ensures cross-functional alignment, transparent end-to-end management, and execution of agreed-upon sustainability goals. It aims to guide and embed sustainability and ESG within adidas' functions, enable transformation, ensure regulatory readiness, enable related reporting and risk management and drive communication as well as engage with stakeholders.

We also maintain a separate compliance function, which operates as the Social & Environmental Affairs (SEA) team, to monitor supplier-facing social and environmental compliance performance and human rights impacts, reporting to the CEO through the General Counsel, who also acts as the Chief Human Rights Officer (CHRO).

Notably, various ESG progress updates were provided to the Executive Board and Supervisory Board in 2025.

All of the above functions, teams, and governance bodies, as well as other functions that manage IROs at the senior management level, report regularly to the Executive Board and to the Supervisory Board. This includes information on the setting and monitoring of targets relating to material impacts, risks and opportunities. The Supervisory Board is responsible for monitoring the effectiveness of the internal control system and risk management systems. These duties are generally undertaken by the Audit Committee of the Supervisory Board. ESG and sustainability topics at adidas are regularly discussed during Audit Committee meetings. The Audit Committee is also responsible for the preparation and oversight of non-financial reporting at adidas AG. The work of the Audit Committee is regulated by the Rules of Procedure.

More detailed information on the Audit Committee of the Supervisory Board, its members, responsibilities and rules of procedure as well as the focus of its work in 2025 can be found here:

▶ [ADIDAS-GROUP.COM/SUPERVISORY-BOARD-COMMITTEES](https://www.adidas-group.com/supervisory-board-committees) ▶ [SEE SUPERVISORY BOARD REPORT](#)

In addition, regular communication with relevant stakeholder groups such as customers, suppliers, business partners, investors, NGOs, or employees further add to the understanding of different stakeholder perspectives.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking’s administrative, management and supervisory bodies

Each of the Executive Board members, including the CEO, is regularly informed about the material impacts, risks and opportunities (IROs), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted on an ongoing basis by their senior management teams responsible for managing these IROs. The mentioned topics are also an integral part of the meetings of the Supervisory Board and its Audit Committee.

► SEE ESRS 2 – GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In the periods between meetings, the Chairman of the Supervisory Board and the Chairman of the Audit Committee maintain regular contact with the CEO and the CFO, conferring on matters such as adidas’ strategic orientation, business planning and development, major transactions, the risk situation, potential trade-offs associated with IROs, control and risk management, and compliance. In addition, the Chairman of the Supervisory Board and, as applicable, the Supervisory Board is informed about events of fundamental importance for evaluating the situation, the development and management of the company, if required, also at short notice.

The Executive Board, the Chairman of the Supervisory Board and the Chairman of the Audit Committee report to the Supervisory Board regularly, extensively and in a timely manner on all matters relevant to the company’s strategy, planning, business development, financial position and results of operation, the adequacy and further development of due diligence processes, including updates on the internal control and risk management systems and compliance matters, as well as on special matters of company impacts, risks and opportunities.

In the year 2024, we conducted a full-scope double materiality assessment (DMA), which was then presented to the Audit Committee. In 2025, after a review of the 2024 results, we concluded that a significant update was not necessary, and as a consequence, an unchanged list of all assessed material matters compared to the prior year was presented to the SSB. The material matters and related IROs can be found in the beginning of each topical standard under SBM-3 and IRO-1 (in the case of E5 and G1).

More detailed information on the content of the meetings of the Supervisory Board and its committees can be found here:

► SEE SUPERVISORY BOARD REPORT

GOV-3 – Integration of sustainability-related performance in incentive schemes

The Supervisory Board is responsible for determining, implementing, and reviewing the compensation and the compensation system for the Executive Board members. The Executive Board compensation system is presented by the Supervisory Board for approval to the Annual General Meeting at least every four years and in case of material changes.

The compensation of the Executive Board members is composed of non-performance-related (fixed) and performance-related (variable) compensation components and consists of a fixed compensation, an annual cash bonus (‘Performance Bonus’), a long-term share-based bonus (Long-Term Incentive Plan – ‘LTIP Bonus’) as well as other benefits and pension benefits.

The variable performance-related compensation is designed to provide the right incentives for the Executive Board to act in the interest of the company’s strategic direction, the shareholders, and other stakeholders, as well as to ensure a successful, sustainable, and long-term corporate management and development. When selecting the performance criteria, the Supervisory Board ensures that they are transparent, clearly

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measurable or identifiable and directly promote the implementation of the strategic direction, including from an ESG perspective.

Performance Bonus

As the annual variable performance-related component, the Performance Bonus serves as compensation for the Executive Board's performance in the past financial year in line with the short-term development of the company. It incentivizes operational success within the established strategic framework. At the start of the financial year, the Supervisory Board establishes the respective weighted performance criteria. In the case of 100% target achievement, the target amount of the Performance Bonus corresponds to 30% of the target direct compensation of the respective Executive Board member.

The amount of the Performance Bonus is determined based on the achievement of weighted criteria. Two of these criteria are financial performance criteria, which are the same for all Executive Board members and are overall weighted at 80% ('financial criteria'). The other criteria are defined for the Executive Board as a whole or individually for the respective Executive Board member and are overall weighted at 20% ('other criteria'). These other criteria may comprise financial, non-financial or ESG targets and allow for further differentiation depending on the specific operating and strategic priorities. If several non-financial or ESG targets are selected, the Supervisory Board also determines their relative weighting.

These other criteria for the 2025 financial year will be disclosed ex-post in the Compensation Report 2025. In this Compensation Report, the respective target achievements will be explained transparently, and the concrete calculation of the Performance Bonus amount will be set out comprehensively.

Long-Term Incentive Plan (LTIP)

The LTIP is designed to link the long-term performance-related variable compensation of the Executive Board to the company's performance and thus to the interests of the shareholders. Therefore, the LTIP is share-based and oriented toward achieving long-term targets. The LTIP consists of annual tranches, each with a term of four years. Each LTIP tranche consists of a three-year performance period followed by a one-year lock-up period. In case of 100% target achievement, the LTIP target amount for the respective LTIP tranche corresponds to 40% of the target direct compensation of the respective Executive Board member. The amount of the LTIP Bonus is determined based on the achievement of uniform financial and non-financial performance criteria for all Executive Board members, which are derived from the long-term strategic direction of adidas.

During the performance period, a total of 80% of the target achievement is measured against financial criteria and a total of 20% is measured against non-financial or ESG criteria. At the start of the performance period of an LTIP tranche, the Supervisory Board also determines the non-financial or ESG criteria and target values for the entire duration of the performance period.

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For the LTIP tranche 2025 (performance period 2025 to 2027), the following ESG-related performance criteria have been set with regard to the strategic targets:

- Reduction of CO₂ intensity per product:²⁰ 10% weighting. The target setting is derived from the CO₂e emissions intensity target per product for 2025 (-15% intensity reduction compared to 2017 and -9% intensity reduction compared to 2022) and is in line with our SBTi-validated targets for 2030 and 2050.
 - ▶ [SEE ESRS E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION](#)

- Percentage of female managers:²¹ 10% weighting. The target setting is derived from the ambition of increasing the global percentage of women in leadership positions to 50% by 2033.
 - ▶ [SEE ESRS S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES](#)

The Compensation Report for each financial year includes an outlook on the application of the compensation system for the current financial year. This outlook will transparently disclose ex-ante the determination of the financial and non-financial or ESG criteria. After expiry of the respective performance period, the performance criteria and targets, as well as the respective target achievement will be outlined transparently and comprehensively disclosed in the Compensation Report. The target values and target achievement of the performance criteria determined for the LTIP tranche 2025, as well as the associated determination of the variable performance-related compensation, will be disclosed in detail in the Compensation Report 2027.

With regard to the Supervisory Board, the compensation for Supervisory Board members consists of a fixed compensation component for their work on the Supervisory Board and an additional compensation component for committee work as well as an attendance fee. There are no performance-related targets that are measured against sustainability-related targets and/or sustainability-related metrics. The compensation system for the members of the Supervisory Board is set out in § 18 of the Articles of Association of adidas AG. The Supervisory Board compensation system will be submitted to the Annual General Meeting for approval at least every four years or in case of material changes.

A more detailed description of the Executive Board and Supervisory Board compensation, the key characteristics of the incentive scheme for the Executive Board, the target setting, and the target achievement can be found here:

- ▶ [ADIDAS-GROUP.COM/COMPENSATION](https://adidas-group.com/compensation)

²⁰ CO₂ equivalent emissions allocated to an average adidas product. Calculated by dividing total emissions of Scope 1, 2, and 3 (without use phase) in kg CO₂e by the total number of products manufactured with regard to season Spring/Summer and season Fall/Winter. The internationally most recognized standards such as the GHG Protocol (Greenhouse Gas Protocol), SBTi (Science Based Targets initiative), and PEFCR (Product Environmental Footprint Category Rules Guidance) are applied for the calculation. This non-financial performance criterion is part of the combined non-financial statement, which is subject to an audit by an external auditor.

²¹ Global percentage of women in leadership positions at Director level or higher.

GOV-4 – Statement on due diligence

The following table shows where information about our due diligence processes can be found throughout this Sustainability Statement:

GOV-4 – Statement on due diligence

Core elements of due diligence	Sections in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	ESRS 2, SBM-1, SBM-2, SBM-3; SBM-2 and SBM-3 also in specific topical standards S1, S2, S3, S4
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2, SBM-2; impact, risk and opportunity management sections in S1, S2, S3, S4
Identifying and assessing adverse impacts	ESRS 2, IRO-1; impact, risk and opportunity management sections in each topical standard; transition plan and consideration of biodiversity and ecosystems in strategy and business model in E4
Efforts to mitigate adverse impacts	ESRS 2; impact, risk and opportunity management sections in each topical standard
Tracking and communicating the effectiveness of these efforts	ESRS 2; metrics and targets sections in each topical standard

GOV-5 – Risk management and internal controls over sustainability reporting

We recognize the importance of robust risk management and internal control processes that uphold the integrity of our ESG disclosures, including but not limited to sustainability reporting. Controls for ESG-related risks are assessed and integrated into the internal controls system (ICS), in alignment with strategic, regulatory, reporting, and operational ESG objectives.

Our risk management and internal controls system aim to cover all major processes relevant to sustainability reporting. Risk management is integrated at both entity and process levels, ensuring that risks are identified, assessed, and mitigated through documented controls. Management is responsible for implementing and operating the internal controls system. The Global Internal Controls function provides monitoring, testing, and advisory support to drive continuous improvement, with regular reporting to the Audit Committee and management bodies on overall internal control effectiveness. ESG-specific reporting will be phased in starting 2026.

ESG risk management and internal control processes are guided by the following key considerations and inputs, which inform prioritization and continuous improvement.

- **External reporting integrity:** Safeguarding the accuracy and reliability of disclosed ESG data, with emphasis on quantitative metrics and steering KPIs.
- **Regulatory compliance:** Supporting adherence to applicable ESG-relevant local, national, and international ESG regulations and standards.
- **Internal and external audits:** Incorporating audit insights to identify ESG-related risks, deviations, and necessary corrective actions.

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– **Enterprise risk management:** Considering and aligning with ESG-related risks and opportunities, including risk mitigation measures, as identified in the enterprise risk and opportunity assessment.

▶ SEE RISK AND OPPORTUNITY REPORT

– **Stakeholder engagement:** Considering the expectations and concerns of our key stakeholders, including investors, wholesale customers, consumers, employees, and the adidas community.

Internal control processes include the following key components:

– **Risk identification and assessment:** Identifying potential risks within the key processes and assessing their impact and likelihood using our internally aligned assurance risk rating methodology. Risks considered include data integrity and completeness, accuracy of estimations and assumptions, availability and timeliness of data, errors or fraud, process and system integrity, regulatory compliance, inadequate management oversight, and failure to meet ESG strategic or operational objectives. These risks are assessed and prioritized based on their potential impact and likelihood, ensuring that our internal controls system is designed to address the most material risks to the reliability and compliance of our ESG disclosures.

– **Control identification and assessment:** Determining whether the designed controls meet the process objectives and are effective in preventing or detecting the risks (e.g., errors or fraud that could lead to material misstatements in reporting disclosures). Where control gaps are identified, we continuously evaluate and implement additional or enhanced controls as needed.

– **Monitoring and testing:** Controls are subject to regular monitoring and testing procedures, with responsibilities assigned to relevant functions and formalized in the internal controls system.

– **Communication and reporting:** Integrating all ESG-relevant risks and control testing results into existing reports for the Audit Committee of the Supervisory Board and management bodies, ensuring that both high-risk deviations and other findings are addressed and periodically reported. The process includes regular review and integration of findings into relevant functions and processes.

– **Continuous improvement:** Enhancing the quality and effectiveness of controls during planned revision cycles by re-evaluating regulatory requirements, capabilities, and processes.

Looking ahead, the internal controls system will continue to evolve throughout the ESG journey over the next few years, with the following priorities:

– **Highlight risks and control gaps:** Continue to assess and highlight risks and control gaps within key processes, data, and systems to support ongoing enhancement of our ESG internal controls environment.

– **Expand the scope:** Implement a phase-in approach to integrating ESG into the internal controls system and expand efforts to cover key business processes and regulations in line with our evolving 'ICS over ESG priorities & roadmap.'

– **Optimize processes:** Refine and optimize our risk management and internal control processes to achieve greater efficiency and efficacy.

Since 2024, the ESG Compliance Framework project, an internal initiative, has translated identified gaps into capability and process requirements to advance ESG compliance and reporting in the coming years. To achieve this, investments have been made in capabilities that mitigate prioritized risks and address gaps in processes, systems, and data.

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In 2025, the 'ICS over ESG priorities & roadmap' was defined to support the achievement of ESG strategic, regulatory, reporting and operational objectives. This was developed in alignment with the ESG Compliance Framework project, among other inputs as described above. For new or evolving processes within prioritized areas, advisory support is provided during the design and build phases to ensure risks are adequately mitigated from the outset. For sufficiently mature processes, process walkthroughs were conducted to evaluate whether the key risks are adequately mitigated by the implemented controls.

The assessed controls are then integrated into the internal controls system and may be subject to regular independent monitoring or testing to evaluate their effectiveness, depending on risk assessment outcomes and business priorities. From 2026, ESG-specific internal control testing results will be integrated into this annual reporting to the Audit Committee of the Supervisory Board and management bodies, providing insights into the design and operational effectiveness of ESG-related controls, as well as a comprehensive overview of all identified findings.

Strategy

SBM-1 – Strategy, business model and value chain

Business model and value chain

To achieve our mission of being the best sports brand in the world, our business model is centered around designing and developing performance and lifestyle products that resonate with our consumers. We aim to set trends, drive innovation, and respond swiftly to consumer preferences, ultimately creating brand heat. Our production is carried out in collaboration with independent manufacturing partners in our upstream value chain, which includes Tier 4 and beyond suppliers for raw material sourcing, Tier 3 and 2 suppliers for material manufacturing, spinning, coloring and finishing, and Tier 1 suppliers involved in assembling adidas products. Our net sales are diversified globally – an overview of the details is provided in the Markets and Sales Channels section.

▶ [SEE MARKETS AND SALES CHANNELS](#)

In our own operations within our business activities, we design and develop products, engage with consumers through marketing activities and sales, and tailor our global distribution network to meet the needs of our sales channels and consumers. We respond to consumer preferences, collaborate with investors, and partner with brands and creators to generate demand for our products. To drive these business activities, key input factors are essential to deliver value to our investors, consumers, and business partners by creating innovative products and sustainable offerings, responding to consumer demands and creating brand heat (output factors).

Our products are designed to create positive downstream value chain outcomes, such as improved athlete performance, enhanced consumer satisfaction, increased product demand, and the creation of brand heat. Additionally, we work to reduce the adverse ESG impacts and risks of our business activities throughout our entire value chain, from sourcing materials to minimizing environmental and social impacts through applying our due diligence processes and Workplace Standards with our suppliers. While we strive for positive outcomes, we acknowledge that negative outcomes can occur. We remain committed to balancing attractive investments with reducing adverse ESG-related impacts to ensure long-term financial and brand success.

Our business model and operating model enable us to quickly react and adapt to an ever-changing world – whether this involves the evolving demands of consumers, geopolitical developments that may impact our sourcing and supply chain, or environmental and social changes regarding places where we or our business partners operate. This flexibility, combined with our risk management system, builds the foundation of our

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resilience, especially in the long-term but also in the short- to mid-term. The key elements of our business model and strategy are outlined in detail in the ‘Description of Business Model’ section (and its related subsections). Further information on the process and outcomes of our enterprise risk and opportunity assessment can be found in the Risk and Opportunity Report. In addition, our Business Model Overview includes an illustrative figure summarizing the main inputs, outputs, and outcomes of our business activities, along with the value chain actors involved.

▶ SEE BUSINESS MODEL OVERVIEW ▶ SEE RISK AND OPPORTUNITY REPORT

Headcount of employees by geographical area

As of the end of the reporting period, adidas employed approximately 64,938 people worldwide. The geographical distribution of our employees is as follows.

SBM-1 - Number of employees by geographical area

	2025	2024
Regions		
Emerging Markets	13,419	12,267
Europe	18,816	18,470
Greater China	8,998	8,718
Japan/South Korea	4,396	4,236
Latin America	7,042	6,331
North America	12,267	12,013
Total	64,938	62,035

Sustainability-related goals

Our commitment to sustainability is rooted in our purpose: ‘Through sport, we have the power to change lives.’ To underline this commitment, we set targets and ambitions, measure progress, and establish strong partnerships that allow us to create – and drive – actions to either reduce negative impact or amplify positive impact across our key focus areas (detailed in this Sustainability Statement). Our commitment extends beyond individual products, materials, customer groups or geographies – we focus on developing solutions at scale. We will continue joining forces with the industry and our peers to drive systemic change, and we will continue to empower our employees to become sustainability ambassadors, just as we invite our consumers globally to engage and connect with us on the topic of sustainability. Lastly, we also aim to uphold high standards in the area of social compliance across our supply chain. For further information on our individual targets, please refer to the respective metrics and targets sections in the topical standards of this Sustainability Statement.

SBM-2 - Interests and views of stakeholders

We seek to ensure that we address the topics that are most salient to our business and our stakeholders. To identify these topics, we actively engage with our stakeholders and consider their views and opinions when making decisions that shape our day-to-day operations as well as when setting targets. We continuously communicate with relevant stakeholder groups such as customers, suppliers, business partners, investors, NGOs, or employees to enable stakeholder feedback and act on stakeholder concerns. This is integral to our human rights and environmental impact due diligence activities and the shaping of our social and environmental strategies and plans.

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Our stakeholders are those people or organizations who affect and are affected by our operations, including the following:

- adidas employees
- Authorizers: governments, trade associations, shareholders, and the Executive Board
- Business partners: suppliers, licensees, and service providers
- Workers in our suppliers' factories
- Human rights defenders: trade unions and community activists
- Opinion formers: journalists, community members, academics, and special interest groups
- Customers: professional athletes, distributors, retailers, and consumers

Engaging openly with stakeholders and establishing ways to increase transparency and disclosure has long been central to our approach. The adidas Stakeholder Relations Guideline specifies key principles for the development of stakeholder relations and the different forms of stakeholder engagement. It highlights the importance of meeting the changing expectations of our stakeholders and encourages open, honest communication that fosters trust and cooperation. Our principles that guide stakeholder relations development are:

- Those affected by adidas' business have the 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 activities, and we will take their needs and concerns into account when making decisions on behalf of the company.
- We will actively seek stakeholder input and feedback on business decisions and will act on what we learn.
- We will encourage stakeholders to define how they wish to be consulted and strive to remain flexible and responsive to stakeholder preferences.
- We will identify, assess, and address potential risks of stakeholders and adidas to ensure a high-quality engagement process and outcome.
- Those acting on behalf of adidas must be willing to be influenced by stakeholders and, where appropriate, to act on their input, even if this means changing the company's business plans.
- We respect the values and culture of each stakeholder. When disagreements with stakeholders arise that cannot be resolved, our employees will always show respect for the diversity of views presented.

adidas' stakeholders are diverse, which translates into a wide range of engagements, some of which are ongoing and span many years, and some of which are targeted, based on current issues or trends requiring critical feedback. Thus, our numerous stakeholder engagements range from basic communication, consultation and dialogue to more in-depth processes such as advisory panels or multi-stakeholder forums. The most frequent forms of stakeholder engagements we practice include:

- Holding formal stakeholder consultation meetings (stakeholder dialogue) with workers, union representatives, NGOs, and suppliers
- Meetings with investors and investment analysts

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- Employee engagement through surveys, internal information, reporting and induction programs, as well as grievance channels to the senior management and Works Councils
- Responding to inquiries from consumers, media, and authorities
- Collaborating with other brands and other companies in joint initiatives
- Participating in multi-stakeholder initiatives
- Engaging in outreach to the academic community, governmental organizations, and governments

Regardless of the form of engagement, we will seek to ensure that the approach, at a minimum, addresses key stakeholder expectations; ensures that stakeholder concerns, perceptions, and viewpoints can be fully and accurately expressed and recorded; and enables us to provide a coherent response to stakeholder expectations and concerns.

Our stakeholder engagement informs our operational decision-making and is considered to improve our strategy and business model. For example through our ongoing exchange with the investor and analyst community, we are well aware of their expectations and respond accordingly. Another example is the employee listening survey, the results of which are carefully analyzed and acted upon by the different internal business functions and teams. We also use collaborations and partnerships to build leverage for systemic change in our industry, such as for efforts in the textile and footwear supply chain to mitigate GHG emissions, to strengthen chemical management practices, and to raise social and environmental standards. In addition, we build awareness, capacity, and knowledge of laws and rights among factory management and workers by partnering with leading providers such as the International Labor Organization’s (ILO) ‘Better Work’ program and the United Nations’ International Organization for Migration (IOM) with the objective of ensuring that the labor rights of foreign and migrant workers in the adidas supply chain are upheld.

As consumer demand and all other stakeholder interests and views may change over time, we will adapt our approach accordingly to ensure we meet these expectations. Each function at adidas continuously adjusts its actions to stakeholder group expectations based on the results of stakeholder engagement and dialogue. In this way, we ensure that we address the topics that are most salient to our business and our stakeholders, and the challenges ahead.

During our double materiality assessment (conducted in 2024 and reconfirmed in 2025), we used internal management to represent key external stakeholder interests and views, as detailed in IRO-1. This approach allowed us to gain a clear understanding of the interests and views of our most important stakeholders and to have them represented in our discussions and evaluations of the materiality for each topic. Experts and senior management from all relevant teams were involved to represent the environmental, social and governance perspectives.

▶ SEE ESRS 2 – IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

We strive to keep up with our stakeholders’ views and interests regarding sustainability impacts. Due to the cross-functional nature of these impacts, each team that interacts with our key stakeholder groups informs its management teams and the Executive Board of any relevant major changes on a regular and/or ad hoc basis. The Supervisory Board reports publicly on the content of its meetings in each Annual Report.

▶ SEE SUPERVISORY BOARD REPORT

For further information on stakeholder engagement (including key stakeholders across different key focus areas), please refer to the topical standards or to our website.

▶ [ADIDAS-GROUP.COM/ENGAGEMENT WITH STAKEHOLDERS](https://www.adidas-group.com/engagement-with-stakeholders)

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SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Disclosures related to the SBM-3 data points as well as the list of material impacts, risks and opportunities (IROs) are displayed in each topical standard, where applicable.

Impact, risk and opportunity management

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

Conducted in 2024 and reconfirmed in 2025, our process and methodology for identifying material impacts, risks and opportunities (IROs) are based on the requirements of ESRS 1, section 3 and the application requirement of ESRS 1 AR16. The provided list of sustainability matters from ESRS 1 AR16, alongside our existing material topics, formed the basis for developing a comprehensive long list of potentially material sustainability matters. This list also formed the basis for the IRO identification process. To determine if a sustainability matter is material or not material, the analysis was carried out from both an impact materiality perspective and a financial materiality perspective (double materiality). Information on what kind of data and assumptions were applied can be found in the section ‘Data and assumptions’ in this ESRS 2 IRO-1 chapter. A sustainability matter is deemed material according to the double materiality concept if it is material from either or both perspectives. Other criteria have not been applied.

Impact materiality

Our impact materiality analysis followed the ESRS recommended process (please refer to ESRS 1, section 3.4) considering impacts in which adidas is involved through its own operations and as result of its business relationships. We identified, assessed and evaluated the impacts of all sustainability matters at the sub-topic level and, where applicable, sub-sub-topic level. To evaluate each impact, we first identified whether the impact was actual or potential, positive or negative, short, medium or long term, and at which value chain level the impact occurred. Based on this initial assessment, the materiality of actual negative impacts was evaluated based on the severity of the impact, while the materiality of potential negative impacts was evaluated based on the severity and likelihood of the impact. Severity was assessed using the following three parameters: scale, scope and irremediability. In the case of a potential negative human rights impact, the severity of the impact took precedence over its likelihood. For actual positive impacts, the materiality was based on the scale and scope of the impact, whereas for potential positive impacts, the materiality was based on the scale, scope and likelihood. Finally, we considered all topics described above and gave each respective topic a score ranging from 1 for marginal impact to 5 for significant impact.

Financial materiality

For financial materiality, we also followed the recommended ESRS process for assessing and evaluating the financial materiality of each identified risk and opportunity. We evaluated whether a sustainability matter causes or could cause a material risk or opportunity for adidas based on a combination of the likelihood of occurrence and the potential magnitude of the short-, medium- or long-term financial effects. This included material risks or opportunities affecting our net income and/or cash flows and/or our reputation or the health and safety of our employees. We aligned the financial materiality methodology with our enterprise risk management (ERM) methodology to ensure consistency in how we evaluate risks for internal management purposes and also in how we report them in this Sustainability Statement and the Risk and Opportunity Report. In general, our sustainability-related risks are assessed at the same level of priority as all other business-related risks.

► **SEE RISK AND OPPORTUNITY REPORT**

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Finally, we considered all aspects explained in this paragraph and applied a scoring from 1 (marginal) to 5 (significant) from a financial materiality perspective. The materiality threshold for both impact and financial materiality was set at 3, meaning that every topic with a score of 3 or higher is deemed material. We set the threshold at 3 to ensure that we reflect only material matters to our business model in this report, which was ensured by reviewing those matters that were close to the threshold in detail and validating the final list with internal experts and management.

Process of our double materiality assessment

After creating a long list of sustainability matters mainly based on ESRS 1, AR16 as well as on some entity-specific topics as a result of our prior materiality analyses and previous non-financial reporting, we identified generally relevant topics to potentially be reported on together with responsible internal content owners and expert teams. With them, we then proceeded to identify, assess, and prioritize potential and actual positive and negative impacts on people and the environment, as well as risks and opportunities that have or may have financial effects on our company.

Part of the process involved the mapping of affected stakeholders or users of information to identify and assess sustainability matters, integrating their perspectives and views. Although there was no direct involvement of external stakeholders, adidas teams acted as representatives of external stakeholder views and interests to ensure they were considered in the topic assessment. For example, affected communities and value chain workers were represented by the Social & Environmental Affairs team, the investor perspective by the Investor Relations team, the employee perspective by the Human Resources team, and the consumer perspective by the Brand team. Additionally, the Enterprise Risk Management team was involved in all discussions to ensure completeness and alignment in evaluating and assessing methodologies. It is important to note that both processes – ERM (enterprise risk management) and DMA (double materiality assessment) – inform each other so that identified material sustainability matters are reflected in the ERM process and all risks are reflected in the DMA process.

Through a series of workshops over a period of several months with internal stakeholders, including responsible experts and senior management, we identified, assessed and validated impacts, risks, and opportunities. This process included the assessment – performed by the experts in collaboration with the ERM department – of potential connections between our impacts and dependencies and the risks and opportunities that could arise from impacts and dependencies between sustainability matters. Further information on topical dependencies can be found in the respective topical standards as well as in the Risk and Opportunity Report. Generally, the success of our business model depends on our products, which are made of natural resources such as cotton, leather and rubber, as well as other materials such as recycled polyester. The availability and cost of these resources are critical to ensuring the supply of our products to consumers when and where they want them and at a competitive price level. The manufacturing process for our products is very energy intensive and still requires a high level of manual work provided by the workers in our upstream value chain. Similarly, the success of our business activities depends on the creativity of our own employees, impactful collaborations with designers and celebrities, and our marketing and sponsoring activities to ensure that we offer relevant products to our consumers. For the double materiality assessment, we considered all of these dependencies on natural, human, and social resources to evaluate the IROs.

Senior management and their expert teams are responsible for monitoring and managing our impacts, risks and opportunities from sustainability matters:

- **Environmental:** Material environmental impacts occur mainly in the upstream value chain. We have established teams that work in close collaboration with our suppliers to manage material impacts, e.g., GHG emissions, water, biodiversity, waste, and use of chemicals.

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- **Social:** Material social impacts occur at every stage of the value chain and relate to the workers of manufacturing partners, our own employees, and our consumers. We have established teams and functions that manage highly material impacts, such as the Social & Environmental Affairs team in the Legal function to manage human rights and working conditions in the supply chain, the HR function to manage impacts, risks and opportunities related to our own workforce, and the Marketing and Sales function to manage consumer interests.
- **Governance:** Material governance-related impacts such as compliance and corporate culture topics are managed by the legal function, i.e., the Compliance team together with HR.

The senior management of these teams as well as experts in specific material topics were deeply involved in the double materiality assessment and provided final judgment on the results based on their subject-matter expertise. The involved senior managers also have a direct link to other internal decision-making processes up to the Executive Board level.

The Internal Controls team was involved in the entire materiality assessment process. Furthermore, for the collection and disclosure of material quantitative metrics, the team members worked together with content and data owners to ensure that data quality requirements for the metrics were met. For more information on internal controls for sustainability reporting, please see the general risk management process and the GOV-5 section.

▶ SEE RISK AND OPPORTUNITY REPORT ▶ SEE ESRS 2 – GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Value chain

An in-depth definition of the adidas value chain served as the foundation for our double materiality assessment and identification of sustainability matters and IROs. Given our business model, which relies on outsourced manufacturing and production processes with independent partners, we have segmented the value chain into three distinct parts:

- **Upstream:** all of our suppliers, e.g., product manufacturers
- **Own operations:** our own offices, distribution centers (DCs), and retail stores
- **Downstream:** our wholesale customers and end consumers

For further details on the different players, input and output factors as well as outcomes related to our business model, please refer to our business model graphic in the 'Our Company' section of the management report.

▶ SEE BUSINESS MODEL OVERVIEW

Data and assumptions

For the double materiality assessment, adidas covered all its business activities globally and used existing internal data, focusing on its own operations as well as upstream and downstream value chain stages (e.g., ERM risk and opportunity overview, GHG emissions calculations, water usage data, chemical usage data, biodiversity assessment, material usage data, own workforce data, supplier risk assessments, financial data) alongside regularly collected data on consumption, social compliance, suppliers and consumer insights. Additionally, we incorporated external data, focusing on the latest scientific studies, benchmarks, regulations and other reporting standards such as GRI, SASB, and the GHG Protocol.

Revision of materiality assessment

In 2025, we continued to apply the results of our previous double materiality assessment (conducted in 2024), as no significant changes in our business model, stakeholder expectations or overall business context were identified. This conclusion is based on the experiences of our prior-year DMA process, in-depth

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benchmarking exercises of other companies' 2024 sustainability statements according to ESRS, and, most importantly, discussions with our internal experts for each sustainability matter as preparation of the 2025 reporting process. In general, we plan to revise the assessment every two to three years or in the context of material changes, e.g., to our business model and/or stakeholder expectations.

Topic-specific processes

In addition to our general approach and processes for identifying and assessing our IROs, we conducted the following topic-specific processes, including actions and steps of the double materiality assessment:

IRO-1 – Topic-specific processes

Standard	Description
E1 Climate change	
Process to identify and assess the impacts on GHG emissions [//ESRS E1-20a IRO-1]	To identify and assess climate-related IROs, we use our GHG emissions as reported in past years' Annual Reports for Scope 1, 2, and 3. Based on the calculated GHG emissions, we come to the conclusion that our impact on climate change is distributed unequally across the value chain, with the most significant impact generated in the upstream supply chain, particularly in raw materials production and processing. Our current assessment covers future potential sources of GHG emissions due to the nature of our business model.
[//ESRS E1-20b IRO-1]	Our approach to identify and assess physical risks is explained in ESRS E1 Climate Change. ▶ SEE ESRS E1 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL
[//E1-20c IRO-1]	Our approach to identify and assess transition risks is explained in ESRS E1 Climate Change. ▶ SEE ESRS E1 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL
E2 Pollution	
[//E2-11a+b IRO-1]	We screened our business activities to identify and assess actual and potential pollution-related IROs, focusing on the upstream supply chain while also considering our own operations and downstream activities. Existing data from manufacturing partners (incl. their site location, use of substances of concern, and wastewater discharge quality) supported this assessment. With regard to pollution of water, adidas annually assesses water risks in sourcing locations using the WRI tool (Aquaduct) to help us understand physical, reputational, and regulatory risks across our supply chain (scope based on the publicly available global factory list). Baseline and future scenarios (2030, 2050, 2080) were analyzed. Findings show that a relevant part of our supply chain operates in water-stressed areas and relies on water-intensive processes, exposing us to water withdrawal risks. Affected communities are considered indirectly via stakeholder outreach. With regard to microplastics, quantifying microplastic-related pollution remains an industry-wide challenge due to the lack of a holistic methodology on how to assess its release and impact on the environment.
E3 Water and marine resources	
[//E3-8a+b IRO-1]	The process, screening, methodologies, assumptions, tools, and consultations used are consistent with those applied for ESRS E2.
E4 Biodiversity and ecosystems	
Description of processes to identify and assess material biodiversity and ecosystem-related IROs [//E4-17a IRO-1]	Our approach to identify and assess actual and potential impacts on biodiversity is explained in ESRS E4 Biodiversity and Ecosystems. ▶ SEE ESRS E4-1 – TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL
[//E4-17b IRO-1]	adidas assessed biodiversity dependencies in its upstream value chain (the only value chain level with material biodiversity IROs), focusing on used materials and economic activities. The assessment linked the apparel industry to ecosystem services, detailing how natural capital assets provide these services and are affected by environmental changes. By using the Encore tool, we assessed the importance of natural capital assets and the impact of environmental changes considering our economic activities and the materials required to manufacture our products.

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IRO-1 – Topic-specific processes

Standard	Description
[//E4-17c IRO-1]	Transition and physical risks and opportunities related to biodiversity and ecosystems have been identified and assessed, focusing on impacts and dependencies in the upstream value chain. The assessment criteria included regulatory compliance, cost implications, and environmental impacts. Material risks identified include increased operational costs due to the need for traceability systems and sourcing-certified raw materials to comply with regulations like the EU Deforestation-free Regulation (EUDR) and the 2030 EU Biodiversity Plan. Non-compliance with these regulations could result in fines and restricted market access, particularly in the EU. Additionally, decreased biodiversity may compromise the availability and cost of nature-derived materials such as cotton, leather, and natural rubber, due to factors like reduced pollinators and ecosystem health issues. Water availability for production processes, such as dyeing and tanning, also poses significant risks.
[//E4-17d IRO-1]	adidas recognizes the importance of systemic risks related to biodiversity and ecosystems, but they have not been a primary focus of the current assessment process due to the lack of a widely recognized methodology and the significant cross-collaboration and time required. adidas plans to address this gap by gathering insights through the Science Based Targets Network (SBTN) and other sources.
[//E4-17e IRO-1]	Consultations with affected communities on sustainability assessments of shared biological resources and ecosystems have not been conducted directly or formally yet. Affected communities were considered indirectly in our double materiality assessment. Our internal experts maintain regular contact with external stakeholders, and their views are indirectly incorporated into our decision-making and strategy development.
[//E4-19a+b IRO-1]	Information on sites in or near biodiversity-sensitive areas are disclosed in the topical standard E4. As potential impact on biodiversity was deemed low, no mitigation measures are deemed necessary. ▶ SEE ESRs E4 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

E5 Resource use and circular economy

Description of the processes to identify and assess material resource use and circular economy-related IROs [E5-11a+b IRO-1]	The methodologies, assumptions, and tools used in the screening process of assets and activities are consistent with those applied for ESRs E4. The involvement of stakeholders regarding E5 was conducted in alignment with our general approach and double materiality assessment process. ¹
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G1 Business conduct

Description of the processes to identify and assess material impacts, risks and opportunities [// G1-6 IRO-1]	<p>The process for identifying material impacts, risks and opportunities related to business conduct matters followed the same process and criteria described in the 'Process of our double materiality assessment' section. Additionally, we specifically included:</p> <ul style="list-style-type: none"> – Location: We take into account local regulations, market conditions, and socio-political factors of the locations where we operate. – Activity: We evaluate the specific business activities involved, such as manufacturing, marketing, and distribution, to identify potential impacts, risks and opportunities unique to each function. – Sector: We analyze industry-specific risks and opportunities, taking into account trends, the competitive landscape, and sector-specific regulations. – Transaction structure: We consider the nature and structure of transactions, including partnerships and other business arrangements. <p>Impact, risk and opportunity management is a company-wide activity that utilizes key insights from the members of the Executive Board as well as from global and local business units and functions.²</p>
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1 For further information ▶ SEE ESRs 2 – GENERAL DISCLOSURES
 2 For further information ▶ SEE RISK AND OPPORTUNITY REPORT

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IRO-2 – Disclosure Requirements in ESRS covered by the undertaking’s Sustainability Statement

We have determined the material information to be disclosed based on the impacts, risks and opportunities that we had assessed to be material and on the guidance of ESRS 1, section 3.2. The information presented reflects the full scope of these requirements. The assessment of the materiality of information did not lead to an exclusion of any disclosure requirement. The full list of ESRS disclosure requirements included in this report can be found here:

▶ [SEE ESRS INDEX](#)

In general, we followed the ESRS Disclosure and Application Requirements, including the Minimum Disclosure Requirements (MDRs) for policies, actions and resources, and metrics and targets for the material sustainability matters. Due to the overarching nature of some of the MDR-related data, general information is presented below and applicable to all topical standards. For detailed information on all existing policies, actions, and targets, please refer to the corresponding topical standard.

Minimum disclosure requirements – policies

Policies play a critical role in managing actual and potential impacts and risks as they provide a structured framework for guiding decisions and ensuring accountability. adidas has policies linked to most of its material IROs and they are implemented and monitored by the respective teams, according to their objective and scope, generally covering all activities and locations where adidas operates. The adidas Consequences Management Policy sets a four-step process to deal with any potential policy non-compliance. The process ensures that all parties involved – the employee, the investigation team, and the company as a whole – can trust the resulting consequences are fair, impartial, and consistent.

The four steps covered in the Consequences Management Policy encompass: determine the nature and severity of the policy violation; consider mitigating and aggravating factors; review prior similar cases; and determine appropriate consequences. The policy is applicable to all adidas employees and all material matters.

Minimum disclosure requirements – actions and resources

The management of the identified material IROs is supported by actions, which are presented in each topical standard. These actions are ongoing, unless stated otherwise.

Due to the nature of our business model, most environmental and social impacts related to human rights occur in our upstream supply chain. Consequently, OpEx and CapEx related to ESG topics mainly occur there. These include our independent manufacturing partners who might, as a consequence, increase their selling price for us. In this context, OpEx and CapEx in relation to the management of ESG topics for our own operations are not disclosed due to significance. This is well aligned with our disclosures around the EU Taxonomy provided in this Sustainability Statement. An overview of the teams responsible for managing the different ESG topics in the value chain can be found in each topical standard.

▶ [SEE EU TAXONOMY](#)

Minimum disclosure requirements – metrics and targets

Metrics and targets are also an integral part of the approach we apply to managing our material IROs. Our metrics, unless stated otherwise, are not validated by an external body other than the assurance provider. As for our targets, our target setting process is led by the responsible teams internally, which apply not only the latest scientific evidence, but also best industry practice, internal benchmarks, and other sources of reliable data. They collectively aim at addressing the specific IROs and therefore contribute to the broader

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ESG agenda globally (local aspects are described in the topical standards, where relevant). Additionally, in the cases where certain stakeholders were involved in target setting, they are specifically mentioned in the respective topical standard.

For sustainability matters where no targets are currently established, we still track the effectiveness of our policies and/or actions through comprehensive processes for progress evaluation. The lack of targets is due to the nature of the matter (e.g., purely related to compliance) or the lack of accepted methodologies including industry standards to assess and manage the matter (e.g., microplastics), among other reasons. Where relevant, an ambition is set and also monitored. Targets and ambitions are explained in detail in each of the topical standards. For the targets where no baseline year or value is stated, the performance is measured on a yearly basis.

Overall, we systematically track and assess the effectiveness of actions, programs, and targets through several mechanisms that range from regular monitoring of applicable performance metrics and project management practices to after-action reviews. Furthermore, if any actual impact required the provision of remedy for those harmed by these impacts, a reference is given to relevant actions in the corresponding topical standard.

In instances where we made use of the exemptions outlined in ESRS 1 Appendix C – List of phased-in disclosure requirements (and Delegated Regulation (EU) 2025/1416), these are explicitly stated. Nevertheless, our commitment is to address all reporting requirements diligently and to provide the necessary context and information.

List of phased-in disclosure requirements

ESRS disclosure requirement	Information
ESRS 2 General disclosures	
SBM-3	ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects)
E1 Climate change	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
E2 Pollution	
E2-6	Anticipated financial effects from material pollution-related risks and opportunities
E3 Water and marine resources	
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities
E4 Biodiversity and ecosystems	
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities
E5 Resource use and circular economy	
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities
S1 Own workforce	
S1-7	Characteristics of non-employee workers in the undertaking’s own workforce
S1-11	Social protection
S1-12	Percentage of employees with disabilities
S1-13	Training and skills development metrics
S1-15	Work-life balance

Datapoints from other EU legislation in accordance with ESRS 2 Appendix B

The following table provides an overview of all datapoints derived from other EU legislation listed in ESRS 2 Appendix B of this standard.

ESRS datapoints from other EU legislation

Disclosure requirement	Data point	Legislation	Materiality/ Applicability/ Disclosure	
▶ ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	Obligatory
	21 (e)	Percentage of board members who are independent	BRR	Obligatory
▶ ESRS 2, GOV-4	30	Statement on due diligence	SFDR	Obligatory
▶ ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	n.a.
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR	n.a.
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR	n.a.
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	n.a.
▶ ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	ECL	Material
	16 (g)	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	n.a.
▶ ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	Material
▶ ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Material
	37	Energy consumption and mix	SFDR	Material
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	Material
▶ ESRS E1-6	44	Gross Scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	Material
	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	Material
▶ ESRS E1-7	56	GHG removals and carbon credits	ECL	Material
▶ ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	Phase-In; not disclosed
	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk	P3	Phase-In; not disclosed
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Phase-In; not disclosed
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	Phase-In; not disclosed
▶ ESRS E2-4	28	Amount of each pollutant listed in annex II of the E-PRTR regulation emitted to air, water, and soil	SFDR	Not material
▶ ESRS E3-1	9	Water and marine resources	SFDR	Material
	13	Dedicated policy	SFDR	Not material
	14	Sustainable oceans and seas	SFDR	Not material
▶ ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	Not material
	29	Total water consumption in m ³ per net revenue on own operations	SFDR	Not material

ESRS datapoints from other EU legislation

Disclosure requirement	Data point	Legislation	Materiality/ Applicability/ Disclosure
▶ ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities negatively affecting biodiversity-sensitive areas	SFDR Material
	16 (b)	Land degradation, desertification, or soil sealing	SFDR Material
	16 (c)	Threatened species	SFDR Material
▶ ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR Material
	24 (c)	Sustainable oceans/seas practices or policies	SFDR Material
	24 (d)	Policies to address deforestation	SFDR Material
▶ ESRS E5-5	37 (d)	Non-recycled waste	SFDR Not material
	39	Hazardous waste and radioactive waste	SFDR Not material
▶ ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labor	SFDR Not material
	14 (g)	Risk of incidents of child labor	SFDR Not material
▶ ESRS S1-1	20	Human rights policy commitments	SFDR Material
	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	SFDR Material
	22	Processes and measures for preventing trafficking in human beings	SFDR Not material
	23	Workplace accident prevention policy or management system	SFDR Material
▶ ESRS S1-3	32 (c)	Grievance/complaints-handling mechanisms	SFDR Material
▶ ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR Material
	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR Material
▶ ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR Material
	97 (b)	Excessive CEO pay ratio	SFDR Material
▶ ESRS S1-17	103 (a)	Incidents of discrimination	SFDR Material
	104 (a)	Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD guidelines	SFDR/BRR Not material
▶ ESRS S2, SBM-3 (ESRS 2)	11 (b)	Significant risk of child labor or forced labor in the value chain	SFDR Material
▶ ESRS S2-1	17	Human rights policy commitments	SFDR Material
	18	Policies related to value chain workers	SFDR Material
	19	Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD guidelines	SFDR/BRR Material
	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR Material
▶ ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR Material
▶ ESRS S3-1	16	Human rights policy commitments	SFDR Material
	17	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR Material
▶ ESRS S3-4	36	Human rights issues and incidents	SFDR Material
▶ ESRS S4-1	16	Policies related to consumers and end-users	SFDR Material
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR Material
▶ ESRS S4-4	35	Human rights issues and incidents	SFDR Not material
▶ ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR Material
	10 (d)	Protection of whistleblowers	SFDR Material

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ESRS datapoints from other EU legislation

Disclosure requirement	Data point	Legislation	Materiality/ Applicability/ Disclosure	
▶ ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	Material
	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Material

SFDR – Sustainable Finance Disclosure Regulation
 BRR – Banking Regulatory Reporting
 P3 – Pillar 3 Disclosure Requirements
 ECL – European Climate Law

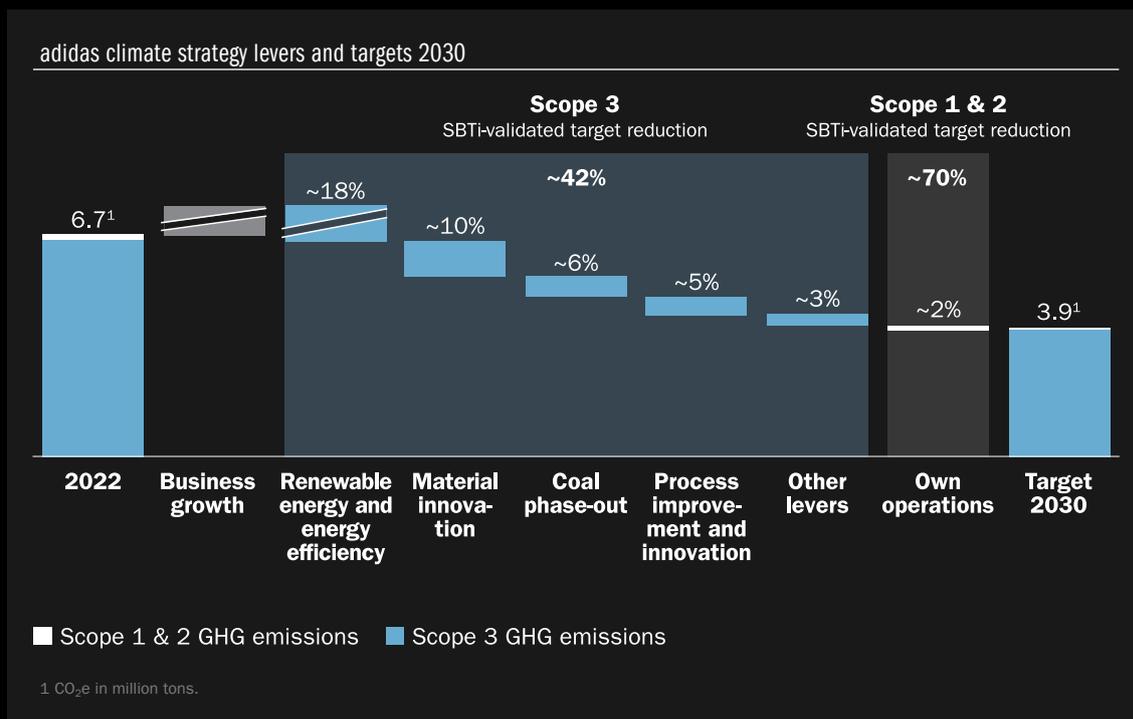
ESRS E1

Climate Change

Climate change is a material issue for adidas across its entire value chain, with most GHG emissions arising upstream. Physical risks, including changing weather patterns and more frequent extreme events, could affect material availability, supplier operations, logistics and infrastructure, with implications for costs and continuity of supply. adidas also faces transition risks linked to emissions pricing, regulation and increased stakeholder scrutiny. Addressing these risks also creates strategic opportunities: increasing the share of renewable electricity, improving energy efficiency, accelerating the coal phase-out in the supply chain and reducing product carbon intensity to strengthen supply chain resilience and support long-term value creation.

Our climate strategy levers and actions

Our climate strategy is based on the defined decarbonization levers and actions to reduce GHG emissions across the value chain, with a focus on Scope 3 GHG emissions in our upstream value chain.



Scope 1 and 2 GHG emissions (own operations)

- Drive energy efficiency at our sites
- Increase the share of renewable electricity
- Conduct environmental risk assessment for our facilities

Scope 3 GHG emissions (supply chain)

- Maximize the use of renewable electricity and drive energy efficiency
- Phase out the use of coal wherever feasible
- Develop and scale lower-carbon materials and innovative solutions in material processing, manufacturing, and product assembly

Targets

Our climate strategy targets are validated by the SBTi and in line with a 1.5°C pathway – the most ambitious goal established by the Paris Agreement – contributing to a net-zero¹ future.

Climate strategy targets



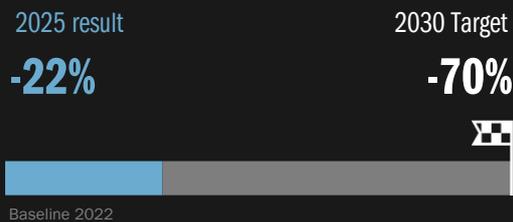
9% reduction

in carbon intensity per product by 2025

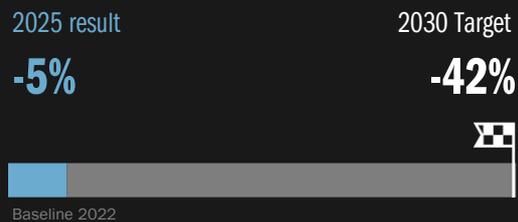
Progress during the year was supported by the delivery against key mitigation levers, including significant advances in phasing out coal from our suppliers (where feasible), increasing the use of renewable electricity across our own operations and supply chain, and continuing to scale lower-carbon materials.

Baseline 2022, in kg CO₂e

Scope 1 and 2 GHG emissions



Scope 3 GHG emissions



Long-term ambition

net-zero

GHG emissions by 2050

¹ Net-zero: As per SBTi, net-zero GHG emissions are achieved when human-caused GHG emissions are balanced by removing the same quantity of emissions from the atmosphere over a specified period ('net-zero' future). This is necessary at the global level to stabilize temperature increase at 1.5°C. In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90%) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

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ESRS 2 – General disclosures

The climate crisis is one of the greatest challenges of our time, and managing its impacts for our business operations is a strategic priority for adidas. In 2025, we published the new adidas Climate Transition Action Plan (CTAP), outlining our aim to achieve net-zero by 2050, ensure a just transition, and build climate resilience across our value chain. Endorsed by the Executive Board, the plan is fully integrated into our business strategy and governance, recognizing that meaningful progress depends on strong collaboration within and across industries.

► [ADIDAS-GROUP.COM/SUSTAINABILITY](https://adidas-group.com/sustainability)

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Climate change and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description ¹
Energy	Negative Impact	Actual	n.a.	Upstream and downstream	Upstream energy consumption occurs mainly at raw material production and manufacturing processes that still partially rely on non-renewable energy sources. Downstream energy use occurs during the product use and end-of-life phases (e.g. washing and disposal of products).
Energy	Risk	n.a.	Mid-term	Own operations	Energy risks in our own operations could relate to: — (T) Increased stakeholder scrutiny: Although our own energy consumption is relatively low compared to our value chain, the expectation from various stakeholders is that we maintain our long-term approach in managing and reporting energy use in a systematic way and that we show progress toward reducing it. Failure to do so could lead to reputational risks. — (T) Higher operating costs
Climate change mitigation	Negative Impact	Actual	n.a.	Upstream and downstream	The majority of adidas' total GHG emissions originate from upstream activities such as raw material processing, manufacturing, and product assembly processes, while a lower portion occurs downstream during the product use and end-of-life phases.
Climate change mitigation	Risk	n.a.	Long-term	Upstream	Climate change mitigation risks in our upstream value chain could be related to: — (T) Exposure to carbon pricing mechanisms and carbon-related regulation and litigation: We expect an increase in regulations from authorities aiming at preventing or reducing GHG emissions. This could lead to increased exposure to direct and indirect carbon pricing as well as product-related regulations and requirements. In turn, these could result in increased operating costs and reporting requirements. An increase in regulation could also lead to higher exposure to litigation for non-compliance, both for adidas and our business partners.
Climate change mitigation	Risk	n.a.	Mid-term	Own operations	Climate change mitigation risks in our own operations could relate to: — (T) Increased stakeholder scrutiny: Although our Scope 1 and 2 GHG emissions are a very small portion of our overall GHG emissions, the expectation from various stakeholders is that we maintain our long-term approach in managing and reporting Scope 1 and 2 GHG emissions in a systematic way and that we show progress toward reducing them. Failure to do so could lead to reputational risks.
Climate change adaptation	Risk	n.a.	Long-term	Upstream	Climate change adaptation risks in our upstream value chain could relate to: — (P) Physical damage to our business partners' properties and disruption of their business operations: Extreme weather events and changes in overall weather patterns could increasingly lead to damages to our business partners' properties and disruptions of their business operations. In turn, these could result in higher operating costs for business partners and, eventually, in higher cost of sales for adidas. — (P) Interruptions in our supply chain: Extreme weather events and changes in weather patterns could lead to business interruptions and disruptions within our supply chain, such as interruptions in key transport routes or port operations. In turn, these could result in lower revenues and higher insurance and operating costs for business partners and, eventually, in higher cost of sales for adidas. — (P) Harm to and lower productivity of our business partners' workforce: An increase in average temperatures and heat waves worldwide could harm our business partners' workforce and reduce their productivity. — (P + T) Increased cost of materials and low-carbon technologies: Changes in weather patterns could reduce the availability of existing materials, which may result in increased costs. At the same time, the higher demand (and potentially limited availability) for low-carbon technologies could lead to higher operating costs for our business partners and, eventually, result in higher cost of sales for adidas.

SBM-3 – Climate change and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description ¹
Climate change adaptation	Risk	n.a.	Long-term	Own operations	Climate change adaptation risks in our own operations could relate to: — (P) Physical damage to our own properties and business disruptions in own operations: Extreme weather events and changes in overall weather patterns could increasingly lead to damage to our own properties (such as office buildings, DCs, and retail stores) and inventories and business disruptions in our own operations. In turn, these could result in lower revenues, as well as higher insurance and operating costs. — (P) Harm to and lower productivity of our own workforce: An increase in average temperatures and heat waves worldwide could harm and reduce the productivity of our own workforce.
Climate change adaptation	Risk	n.a.	Long-term	Downstream	Climate change adaptation risks in our downstream value chain could relate to: — (T) Changes in consumer preferences and product demand: The transition to a low-carbon economy could influence consumers' preferences and expectations toward brands and products, negatively impacting sales and market share if expectations are not met.

¹ Physical risk (P), Transition risk (T).

Our climate scenario and subsequent resilience analysis, finalized in mid-2024, covered our entire value chain and all the physical and transition risks identified in the risk and opportunity identification process.²² We used a climate modeling tool to assess our exposure to those risks across three GHG emission scenarios (low, intermediate, and high GHG emissions) and three different timeframes (2030, 2040, 2050) which are aligned with our climate strategy milestones and targets (2030 and 2050).

Using input from the tool, we created a digital visual representation ('digital twin') of adidas' business model and operational footprint: locations of key assets such as distribution centers, sourcing countries, and production regions of main materials, locations of strategic suppliers' facilities, as well as transportation routes. Risks and opportunities were quantified, where possible, and aggregated to inform the resilience analysis and strategic planning in alignment with TCFD recommendations.

Key assumptions for the climate scenario analysis:

- The basis was our current asset base and value chain, excluding potential changes in sourcing or materials due to industry volatility.
- Varying business growth rates were considered for the period until 2030 and from then onwards until 2050. In addition, the analysis factored in different growth assumptions between net sales on the one hand and production volumes on the other hand. For the GHG emission growth projection until 2030, production and sales forecast numbers were included until 2025, and a constant business growth rate was assumed for the subsequent years. The current product division mix and material mix are assumed to remain constant.
- We did not assume any production or process efficiency improvements for suppliers and other business partners. We also did not assume technology-driven yield improvements in the production of raw materials.
- We only considered the achievement of our climate strategy and planned outcomes of risk handling actions when assessing the potential financial impact of selected transition risks (e.g., increased shareholder scrutiny, increased exposure to carbon pricing and increased costs of low carbon materials

²² The climate modeling tool included indicators based on the latest IPCC recommendations. For physical risks, it included the exposure to selected climate hazards – such as wind, flood, avalanche, landslide, extreme temperature, wildfire, snowfall, earthquake, and soil liquefaction – using more specific climate indicators. For transition risks, it used the Shared Socioeconomic Pathways (SSP) scenarios and the six scenarios explored in the third version of the Network for Greening the Financial System (NGFS) to compute bespoke transition indicators.

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and technologies). For all the other assessed risks we did not assume any expected future outcomes of actions currently in place.

- Depending on the analyzed risk and the associated tiering within the upstream supply chain, cost pass-through assumptions were considered on a case-by-case basis to quantify the potential impact on adidas.

Scenario overview:

- Low-emission scenario (RCP2.6-SSP126): This future is in line with a 1.5°C pathway and characterized by a GHG emissions level that remains stable until 2020, then declines and becomes negative by 2100. An early introduction of climate policies, which become increasingly stringent over time, would lead to the mitigation of both transition and physical risks. This scenario implies strong collective action, with transition risks more likely to occur in the short to medium term and a potential reduction of the severity of physical risks occurring in the long term.
- Intermediate-emission scenario (RCP4.5-SSP245): GHG emissions peak around 2040, followed by a decline. In this scenario, strong climate policies are not in place, yet the exhaustible character of non-renewable fuels is considered. If limited global action is taken, transition risks would decline in the short term. Inaction, however, would increase the severity and frequency of physical risks in the long term.
- High-emission scenario (RCP8.5-SSP585): This future projects a worst-case or business-as-usual scenario in which GHG emissions continue to rise throughout the 21st century. It assumes that no major efforts to reduce GHG emissions are taken, resulting in severe global warming.

Key transition risks assessed (TCFD-aligned) include: energy costs for suppliers, carbon pricing exposure (Scope 1-3), costs to transition to low-carbon technologies/materials, transportation costs, and shareholder scrutiny. These were evaluated under all scenarios using NGFS data to quantify potential impacts.²³

It is important to note that although the climate scenarios diverge from each other in the near to mid-term, the resulting risks and impacts on our business remain relatively similar across scenarios until 2050, with more pronounced differences expected only in the long term (2070-2100). The climate scenario analysis showed that, irrespective of the selected GHG emissions scenario, risks become more relevant from 2030 onwards.

The insights gained from the climate scenario analysis were then used to perform our resilience analysis. We assessed each material risk, its trend related to the different emission scenarios, and our ability to manage such risks in the future, considering the nature of our business model as well as the actions described later in this chapter related to our specific strategies, such as the climate and biodiversity strategies. The scope and timeframe applied were the same as those used in our climate scenario analysis, as explained earlier. By considering all the aforementioned aspects, we were able to assess our overall resilience to climate change.

▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

²³ Central Banks and Supervisors Network for Greening the Financial System (NGFS) is a global coalition of central banks and financial supervisors that work together to strengthen the financial system’s ability to manage climate- and environment-related risks and to support the transition toward a sustainable, low-carbon economy.

SBM-3 Resilience analysis

Identified risks ¹	Trend ²	Risk-handling actions
(P) Physical damage and business disruption in our own or business partners' properties	The risk is more significant in a high-emission scenario and in the 2050 timeframe.	<ul style="list-style-type: none"> — Regular update of climate risk assessment and to inform location decisions — Insurance coverage for property damage and business interruption
(P) Interruptions in our supply chain	The risk is more significant in a high-emission scenario and in the 2050 timeframe.	<ul style="list-style-type: none"> — Diversification in the logistics portfolio — Incident and crisis response — Business continuity plans
(P, T) Increasing costs of materials and high costs of low-carbon technologies	The risk is quite stable across the three different emission scenarios and timeframes.	<ul style="list-style-type: none"> — Flexibility in the materials portfolio — Material cost forecasts — Focus on material and technology innovation
(P) Harm to and lower productivity of our own and business partners' workforce	The risk is more significant in a high-emission scenario and in the 2040/2050 timeframes.	<ul style="list-style-type: none"> — Insurance coverage — Training and education — Use of adequate heating and cooling systems
(T) Exposure to carbon pricing mechanisms, carbon-related regulations, and litigation	The risk is more significant in a low-emission scenario, combined with a scenario where adidas does not meet its corresponding GHG emissions reduction targets.	<ul style="list-style-type: none"> — Continuous monitoring of regulatory landscape — Delivery of the climate transition plan — Continuous review and adaptation of sourcing and logistics infrastructure — Continuous review and implementation of the sustainable material roadmap as part of the climate transition plan — Avoidance of major dependencies on one sourcing country/region
(T) Stakeholder scrutiny and activism	The risk is more significant in a low-emission scenario, combined with a scenario where adidas does not meet its corresponding GHG emission reduction targets.	<ul style="list-style-type: none"> — Transparent communication of climate transition plan and its year-on-year delivery
(T) Lack of ability to adapt to changes in consumer preferences and product demand	The risk is prevalent in all emission scenarios.	<ul style="list-style-type: none"> — Consumer Insights to monitor market developments — Climate transition plan — Product and marketing innovation — Continuous consumer engagement and dialogue

¹ Physical risk (P), Transition risk (T).

² Analysis based on emission scenarios and timeframes. See E1 SBM-3 Climate change and material impacts, risks and opportunities (IROs) table for more information about each risk.

Based on the analysis of the results, we conclude that our business model is sufficiently resilient to climate change for the foreseeable future. The main aspects that drive our resilience are the nature of our business model, with its inherent agility and flexibility in terms of, e.g., product design, material selection, and sourcing locations, as well as the actions we take related to our climate strategy. In addition, our capital management policy ensures a strong capital base and efficient access to capital markets, which is essential for sustaining future business development and adapting to potential climate impacts.

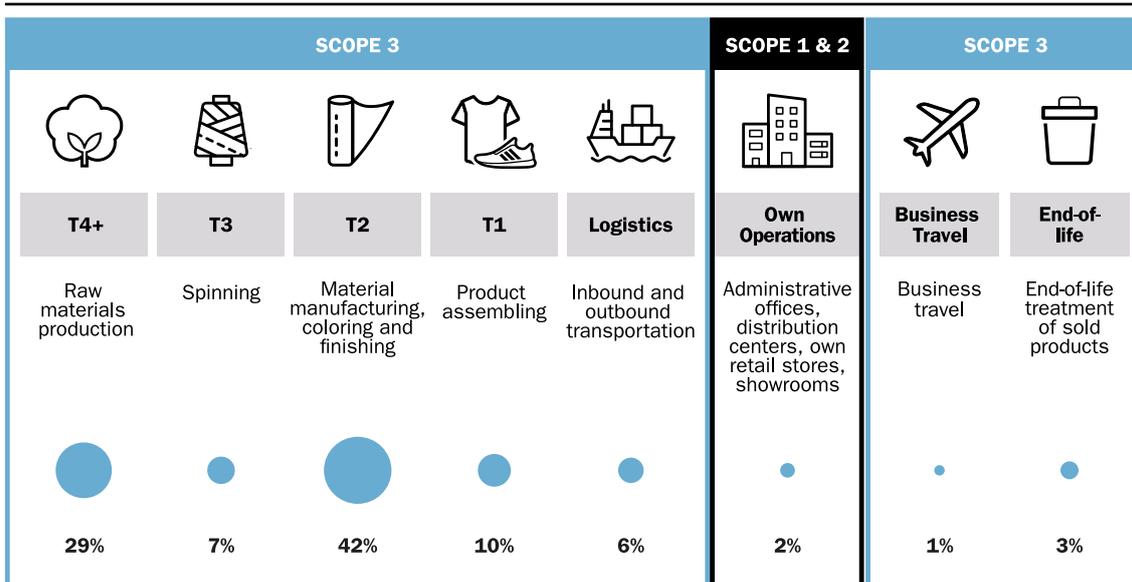
While our scenario analysis is an effective tool for providing guidance and direction on our exposure to climate-related risks, it cannot precisely estimate future costs and investments due to uncertainties in national climate policies and macroeconomic effects. These factors remain difficult to model accurately and may influence the global decarbonization pathway.

E1-1 - Transition plan for climate change mitigation

We intend to contribute to climate change mitigation by implementing, optimizing, and scaling proven solutions and collaborating on the development of long-term alternatives.

The majority of adidas' GHG emissions originate from upstream activities, such as raw material cultivation and extraction, processing and preparation, as well as product assembly, while GHG emissions stemming from our own operations account for around 2% of total GHG emissions.

adidas 2025 total GHG emissions along the value chain¹



¹ Excluding GHG emissions related to the use of sold products.

In 2025, we reviewed, updated, and publicly released our new Climate Transition Action Plan (CTAP). Led and orchestrated by the Sustainability and ESG team and developed in close collaboration with key functions including Product Development & Sourcing, Supply Chain Management, Workplaces, and Finance, the CTAP aligns our climate strategy with broader strategic, operational, and financial objectives. The CTAP is informed by our climate scenario analysis and transition risk assessments, ensuring that the mitigation actions identified are robust and consistent with the potential near- and long-term risks and opportunities across our value chain. The plan was endorsed by the Executive Board.

► [ADIDAS-GROUP.COM/SUSTAINABILITY](https://adidas-group.com/sustainability)

Our climate strategy aims to reduce emissions in line with a 1.5°C pathway, contributing to a net-zero future. adidas confirms that it is not excluded from the EU Paris-Aligned Benchmarks, reaffirming the alignment of our CTAP with the goals of the Paris Agreement. Targets validated by the Science Based Targets initiative (SBTi) include:

Long-term ambition:

— We aim to achieve net-zero GHG emissions (Scope 1, 2, and 3) for the entire value chain by 2050.²⁴

²⁴ In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

Near-term ambition:

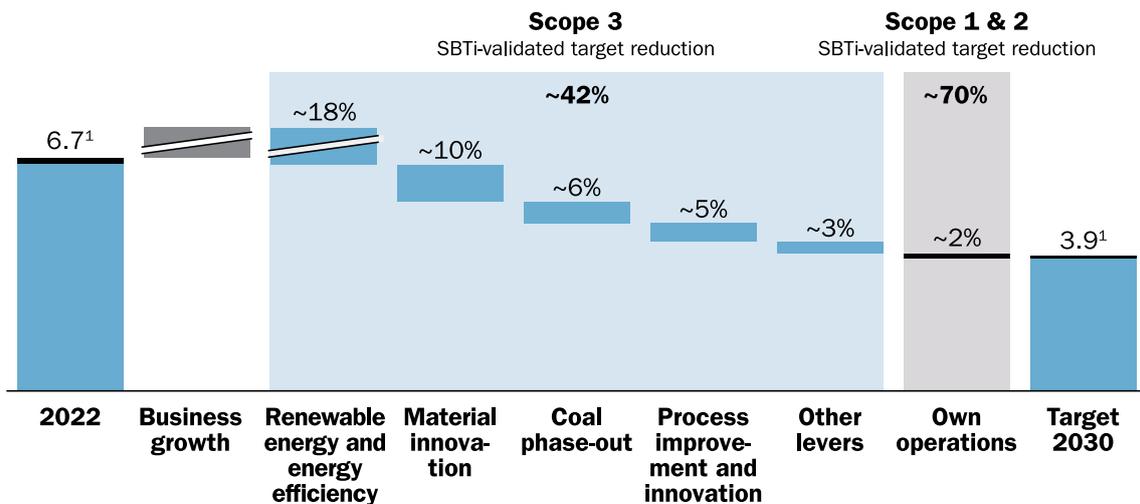
- We aim to reduce absolute GHG emissions across the supply chain (Scope 3)²⁵ by 42% by 2030, measured against a baseline of 2022.
- We aim to reduce absolute GHG emissions across our own operations (Scope 1 and 2) by 70% by 2030, measured against a baseline of 2022.

We apply the established methodologies to account for GHG emissions, based on the GHG Protocol, and include all GHG categories that are material to adidas' business, as presented later in this chapter.

▶ SEE ESRs E1-6 – GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS

The Supervisory Board defined carbon intensity per product as a performance criterion for the Long-term Incentive Plan (LTIP) of the Executive Board. In addition, as a reflection of the importance of our ESG roadmap, including our climate strategy, in 2024, the Sustainability and ESG team began reporting directly to the CEO, ensuring strategic oversight and integration. This team leads the orchestration, tracking, and refinement of our climate strategy, embedding action plans across all relevant business functions.

adidas climate strategy levers and targets 2030¹



■ Scope 1 & 2 GHG emissions ■ Scope 3 GHG emissions

¹ CO₂e in million tons.

Financial considerations for our climate strategy

The implementation of our climate strategy will require continued investments, both within our own operations as well as in relation to our upstream value chain levers. For own-operations measures, these investments are managed by adidas, while the upstream value chain measures are to a large extent to be funded directly by our suppliers. This can have an indirect impact on us through the cost of products, which is reflected in the cost of sales of adidas. Due to the evolving nature of the topic and to be able to better account for market developments (e.g., increasing access to renewable energy in different regions,

²⁵ The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

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improvements of different countries' energy mix), technological developments, and changes in our own and our suppliers' asset portfolio, investments are decided on and implemented in due course and on an ongoing basis. An exact quantification of expected impacts on cost of sales, OpEx, and CapEx until 2030 is yet to be defined. However, we consider the impact to be manageable due to the expected overall development of the company and its financial position over time, the available time to implement mitigation actions, and expected efficiency gains in our supply chain. The funding of the adidas climate strategy is intended to be largely driven by operational cash flow generation. Taking our credit metrics, liquidity profile and financial policies into consideration, our ability to fund our climate strategy is determined to be sufficient.

As adidas' core business activities are not currently eligible under the EU Taxonomy, the Taxonomy KPIs included in this report do not materially indicate the strength or effectiveness of our climate strategy. While alignment of eligible activities would not significantly affect progress toward our climate targets, we remain focused on the initiatives that, in our view, most effectively support the delivery of our climate goals.

► SEE EU TAXONOMY

In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets. There is no risk from any potential locked-in GHG emissions from our products toward the achievement of our targets, and no specific actions to manage locked-in GHG emissions from the use phase of our sold products are deemed necessary. In addition, any potential locked-in GHG emissions from key assets of our physical infrastructure related to property, plant, and equipment as well as right-of-use assets (leased assets) affect Scope 1 and 2 emissions within the own-operations decarbonization lever. These GHG emissions account for less than 2% of the adidas corporate footprint and therefore do not represent a material risk to the achievement of our climate strategy targets. Please refer to the following section on the progress of our actions:

► SEE ESRS E1-3 - ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Impact, risk and opportunity management

E1-2 - Policies related to climate change mitigation and adaptation

E1-2 - Policies related to climate change

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Climate Strategy (EE, RE, CCM, CCA)	Provides a long-term vision and overview on our GHG emissions and plans to meet SBTi targets.	Entire value chain	SVP Sustainability and ESG	GHG Protocol	SBTi	Available for all employees
adidas Climate Transition Action Plan (EE, RE, CCM, CCA)	A strategic roadmap that sets out how adidas aims to reduce greenhouse gas emissions across our value chain in line with the 1.5°C pathway and achieve net-zero by 2050.	Entire value chain	SVP Sustainability and ESG	GHG Protocol	SBTi	Accessible on corporate website
Global Energy Policy (RE, CCM)	Sets energy and renewable energy purchasing standards across all facilities operated by adidas.	Own operations	Executive Board member Global Human Resources, People and Culture	RE100 Technical Criteria	n.a.	Available for all employees
Integrated Management System Global Policy (EE)	Sets standards for adidas entities worldwide to manage operations in a safe, healthy, energy-efficient and environmentally responsible manner and continuously improve practices. In the context of climate, adidas specifically has an Environmental and Energy Management System in line with ISO standards in place.	Own operations	Executive Board member Global Human Resources, People and Culture	ISO 14001, ISO 45001, ISO 50001	n.a.	Available for all employees

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E1-2 - Policies related to climate change

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Rooftop Solar Guideline (RE, CCM, CCA)	Supports suppliers in transition toward renewable energy solutions and gives practical guidance.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Available on supplier SharePoint
Coal Replacement Guideline (RE, CCM, CCA)	Supports suppliers to replace coal as an energy source, showing alternatives and giving practical guidance.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	UNFCCC Fashion Charter; Sustainable Biomass Guidelines	adidas suppliers	Available on supplier SharePoint
Environmental Guidelines (EE, CCM)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes sustainable resource use.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Accessible on corporate website
Supplier Manifesto (RE, CMM, CMA)	Sets expectations toward our suppliers regarding GHG emissions reduction (Tier 1 and 2 suppliers).	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	n.a.	adidas suppliers and external experts	Directly shared with suppliers
Renewable Energy Transition and Energy Attribute Certificates Guideline (RE, CCM, CCA)	Gives guidance on the transition to effective renewable energy and the use of energy attribute certificates.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Available on supplier SharePoint

1 Material matters addressed by policies and guidelines are abbreviated as follows:

- EE – Energy Efficiency
- RE – Renewable Energy
- CCM – Climate Change Mitigation
- CCA – Climate Change Adaptation

E1-3 - Actions and resources in relation to climate change policies

Our actions and measures that are guided by our climate change policies aim to address all identified material impacts, risks, and opportunities, such as improving our management of energy, reducing GHG emissions, mitigating our negative climate impacts, and adapting to climate-related risks as described in SBM-3 Resilience Analysis Table. Stakeholders affected are mainly our upstream suppliers and internal business areas. If not indicated otherwise, all actions mentioned are intended to be ongoing without a set completion date.

The levers presented in our climate strategy aim to reduce GHG emissions in the near term and lay the foundation for achieving our ambition to become net-zero by 2050. In this regard, we recognize the need for continuous innovation, cross-industry collaboration, and policy support.

Climate and financial impacts are integrated into adidas’ budgeting and financial planning processes. Initiatives within our operational control are first evaluated for feasibility, environmental benefits, and financial impacts before funding requirements are incorporated into the annual budgeting cycle. For Scope 3, we are working with industry peers and sector initiatives to explore financing and incentive models that can support decarbonization across the supply chain.

Scope 1 and 2 GHG emissions related actions

- Data coverage: In 2025, we increased primary energy data coverage for our own retail sites by two percentage points compared to the previous year, reaching 45% globally. Data coverage for administrative offices and distribution centers is 100%, while data for showrooms and smaller offices was estimated.
- Renewable energy and energy efficiency: At our own sites, we continuously increase the share of renewable electricity. In 2025, we expanded our on-site solar PV at the distribution center in Colón and

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implemented efficiency upgrades across regions, as well as secured on-site Power Purchase Agreements (PPAs) for our Herzogenaurach headquarters and the e-commerce Fulfillment Center (EFC) in Rieste. Our European Virtual Power Purchase Agreement (VPPA) project became operational in 2025, resulting in a 23% reduction in absolute emissions across our European operations for the year. The North American VPPA is scheduled to become operational in 2026.

- Environmental risk assessment: We carry out environmental risk and opportunity assessments for our facilities (by 2025, 317 facilities were covered by ISO 50001 and 75 facilities were covered by ISO 14001) to identify improvement opportunities and, at an early stage, any potential risks which could affect our ability to meet our GHG emissions reduction targets.

Scope 3 GHG emissions related actions

- Renewable energy (RE) and energy efficiency (EE): We collaborate with our key Tier 1 and Tier 2 suppliers to adopt energy-efficient equipment and processes. Our Environmental Good Practices Guidelines (EGPG) provide a comprehensive list of best practices for reducing energy use. We encourage suppliers to periodically conduct energy audits, identify energy-reduction initiatives, and implement them. Our suppliers are also asked to scale up the use of electricity from RE sources and move toward our aspirational goal of maximizing RE usage, wherever possible, by 2030. During 2025, suppliers participating in our environmental program sourced 26.4% of their electricity from renewable sources through on-site electricity generation and/or procurement via PPAs, as well as high-quality Energy Attribute Certificates (EACs) where sourcing or scaling up of electricity from rooftop solar and/or RE PPAs was not possible/limited. 8% of the electricity used by our key suppliers is sourced from rooftop solar PV systems, with the majority of our suppliers having maximized the viable potential of rooftop solar PV electricity generation within existing policy constraints. In many of our sourcing countries, governments have initiated targeted policies to transition their national power grids toward renewable sources. The steady – albeit slow – progress on the path to greening the grids will provide additional, external tailwind for our supplier base to increase the usage of RE.
- Coal phase-out: Coal-based thermal energy remains a material source of Scope 3 emissions in the manufacturing of adidas products. In line with our Climate Transition Action Plan, adidas implemented a dedicated coal phase-out program with Tier 1 and Tier 2 suppliers to replace coal-fuelled boilers with lower-carbon energy solutions, such as biomass or natural gas, wherever feasible. By the end of 2025, most of targeted supplier sites had either completed the transition or were exited from the supply base, making this a key driver of product carbon-intensity reduction.
- Process improvement and innovation: Developing and scaling innovative solutions in material processing, manufacturing, and product assembly can help adidas reduce its GHG emissions. Through our innovation team, we scout, pilot, and explore the scaling of such innovations as part of our climate strategy.
- Material innovation: Scaling the use of low-carbon materials. The materials we use in our products are a key contributor to our carbon footprint. This impact is mainly attributable to the use of five materials: (animal) leather, recycled polyester, ethylene-vinyl acetate (EVA), cotton, and rubber. In 2025, we continued our efforts to evaluate low-carbon material alternatives, including recycled and bio-based options. As part of this commitment, we have made significant progress in transitioning from virgin polyester, with 99% of all polyester – our most widely used material – sourced from recycled polyester since 2023.

▶ SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY ▶ SEE ESRS E5-4 – RESOURCE INFLOWS

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— Other levers:

- **Inbound transportation:** Most of our transportation is by sea and truck, and only a very small proportion is by air freight (2% in 2025). We recognize the role that biofuels and alternative fuels could play in reducing emissions from maritime transport. Therefore, in 2025, we began exploring with our logistics partners the feasibility, benefits, and constraints of a progressive transition. We also focus on continuously improving our planning and go-to-market capabilities to minimize the use of air freight for delivering products.
- **Packaging:** Although packaging accounts for only a small proportion of our GHG emissions, we focus on using more recycled and sustainably sourced renewable materials,²⁶ while optimizing box sizes and the number of shipments. In 2025, 85% of our primary cardboard packaging was recycled, while 98% of our polybags were made of recycled plastic.

Industry collaboration-related actions

- **Suppliers' SBTi targets:** We regularly engage with various industry experts and provide assistance to our key suppliers to establish their SBTi targets. In 2025, we completed the delivery of the SBTi upskilling program for our suppliers, providing them with the skills needed to identify and quantify their Scope 1, 2, and 3 GHG emissions and to build roadmaps for reducing these emissions.
- **Advocacy and industrial engagement:** adidas collaborates with industry associations and organizations to support government policies that accelerate the energy transition, including those related to PPAs and rooftop solar projects. We are part of several organizations that promote lower-carbon processes and renewable energy in sourcing countries and across the industry. adidas is a member of the UNFCCC Fashion Industry Charter for Climate Action Steering Committee and the Fashion Pact, both focused on enabling suppliers to adopt renewable energy and advocating for stronger energy policies. We are also a member of Fashion for Good (FFG) to help identify and scale innovations in materials and production processes for the industry. As a member and ESG Committee chair of the World Federation of the Sporting Goods Industry (WFSGI), adidas helps shape the WFSGI decarbonization strategy and roadmap, supporting the industry's collective decarbonization efforts.
- **Circular business models:** adidas supports the ecosystem and different organizations to set up the necessary infrastructure to enable circular business models, extend the life cycle of products, and aim to reduce GHG emissions at end-of-life. We will continue refining our approach and identifying relevant actions to be implemented across our entire value chain operations.
 - ▶ **SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY**
- **Advocacy and 'just transition':** We are committed to contributing to a net-zero future by creating pathways that are inclusive, equitable, and just. This means empowering communities, protecting workers' rights, and fostering sustainable opportunities (a 'just transition'). To achieve this, we collaborate with a range of external stakeholders, including athletes, sports organizations, and civil society partners, to support community-based initiatives that strengthen resilience and promote sustainability through sport.
- **Move For The Planet:** This global initiative is focused on sustainability education through sport and on improving places where we play sports. Its goal was to encourage adidas' stakeholders to sign up for the Move For The Planet challenge and turn collective movement into collective impact for local communities. As a result of the 2025 activation, more than 2.8 million participants worldwide tracked almost 735 million minutes of movement on the adidas Running app and STRAVA. adidas pledged to donate € 1 to its partner organizations Common Goal and United Nations Climate Change for every ten minutes of

²⁶ Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

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movement logged – up to € 1.5 million. The funds support projects that provide education on sustainability through sport and help make sports facilities more resilient against extreme weather conditions, such as heat waves and flooding.

– Data and transparency-related actions

- Product footprint calculation: Data and transparency are critical enablers for translating our climate strategy into measurable action. Decisions made during product design and development have a significant influence on environmental impact and our carbon footprint. We use an in-house tool to measure the environmental footprint, including GHG emissions, of our footwear and apparel products. Aligned with ISO 14067:2018 and independently verified, this tool is integrated into our product creation systems to enhance speed, accuracy, and decision-making. It also supports key accounts and partners by providing product-level data for Scope 3 emissions reporting, fostering shared accountability for reducing impact.
- Data accuracy: We collaborate with our suppliers to gather primary data on fuel consumption, electricity use and its sources, water, waste, chemicals, and other inputs to track their progress on our sustainability and decarbonization initiatives. We drive better data accuracy by providing our suppliers with clear guidance and making them accountable for timely and accurate reporting. We also engage with third-party assessors to verify that these data are documented in line with the defined standards.

Metrics and targets

E1-4 - Targets related to climate change mitigation and adaptation

For setting our climate strategy targets, we follow the SBTi guidance to be aligned with the 1.5°C pathway. Accordingly, offsets and avoided emissions do not count toward our science-based targets. In addition, the following assumptions were applied:

- We calculated the absolute reduction needed based on a defined business growth assumption and corresponding production forecasts (aligned with the business growth assumptions used in the already presented scenario analysis).
- We made assumptions on how our main sourcing countries will evolve in the coming years, supplemented by insights derived from a third-party study on the development of the energy grid.

We also consulted suppliers to validate our climate strategy as well as to increase their commitments and engagement. We monitor the effectiveness of these actions by tracking and reporting applicable milestones.

In addition to mitigation, we implement ongoing adaptation measures that address physical climate risks, as outlined in the SBM-3 Resilience Analysis table. While adidas has not set specific adaptation targets, these measures contribute to strengthening resilience across our operations and supply chain.

For further details on our GHG emissions accounting and target-setting approach:

▶ SEE ESRS E1-6 – GROSS SCOPE 1, 2, 3, AND TOTAL GHG EMISSIONS

For a detailed description of our climate strategy levers and actions

▶ SEE ESRS E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION ▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

E1-4 – Targets related to climate change mitigation and adaptation

Scope	Climate strategy targets ^{1, 2, 3}	2025	2024	Baseline ⁴	Change vs. baseline
Scope 1 and 2 GHG emissions (in tons CO ₂ e)	By 2030, reduction of 70% from the 2022 baseline	127,983	135,814	164,149	(22%)
Scope 3 GHG emissions (in tons CO ₂ e)	By 2030, reduction of 42% from the 2022 baseline	6,236,869	5,248,523	6,578,270	(5%)
Scope 1 to 3 GHG emissions per product ('carbon intensity'; in kg CO ₂ e) ⁵	By 2025, reduction of 9% from the 2022 baseline	5.87	6.11	6.45	(9%)
Scope 1 to 3 GHG emissions (in tons CO ₂ e)	By 2050, achieve net-zero GHG emissions across our value chain ⁶	6,364,851	5,384,337	6,742,419	(6%)

1 GHG emission reduction targets, including Scope 2 GHG emissions, use market-based emissions.

2 GHG emission reduction targets, including Scope 3 GHG emissions, have a target boundary that includes biogenic emissions and removals from bioenergy feedstocks.

3 In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets.

4 2022 was selected as the baseline year as it reflects typical operating conditions, with no material anomalies affecting emissions or production.

5 Refers to products produced.

6 In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

We met our 2025 target and achieved a 9% reduction in Scope 1-3 product carbon intensity (baseline 2022). This outcome is driven by the implementation of decarbonization measures across the value chain and our ongoing effort to decouple emissions intensity from business growth.

Progress during the year was supported by delivery against key mitigation levers, including significant advances in phasing out coal from our suppliers, where feasible, increasing the use of renewable electricity across our own operations and supply chain, and continuing to scale lower-carbon materials.

adidas remains committed to advancing its climate change mitigation actions and long-term decarbonization ambition. The company will monitor evolving market, technological, and regulatory developments along the entire value chain to support measurable progress and ensure our transition approach remains informed and responsive over time.

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E1-5 – Energy consumption and mix

E1-5 – Energy consumption¹ in our own operations (MWh)

	2025	2024	Baseline ²	Change vs. baseline
Fossil energy source				
Fossil electricity	202,263	244,741	291,377	
Natural gas	66,612	63,993	59,834	
Heating oil	4,292	4,322	4,391	
Diesel (emergency generator)	264	360	371	
District heating	9,419	25,655	26,652	
Diesel (company vehicles)	9,320	10,434	16,034	
Gasoline/petrol (company vehicles)	14,375	15,179	16,503	
Nuclear sources ³	17,904	40,529	—	
Total fossil energy consumption	324,449	405,213	415,162	(22%)
Renewable energy source				
Wood chips for combustion (heating)	41	43	38	
Green electricity bundled	5,876	5,296	65,226	
Green electricity from VPPAs	32,612	—	—	
Green electricity unbundled	115,216	77,575	11,388	
Green gas	—	—	10,327	
Green district heating	18,934	—	—	
On-site solar PV consumption from self-generation	11,158	9,152	8,398	
Total renewable energy consumption	183,837	92,066	95,377	93%
Total energy consumption	508,286	497,278	510,539	(0.4%)

1 Energy consumption is determined in accordance with the Lower Heating Value (LHV) of the fuel, as specified in IPCC Guidelines, Annex II.

2 2022 was selected as the baseline year as it reflects typical operating conditions, with no material anomalies affecting emissions or production.

3 Data on nuclear sources is measured from 2024 onward.

Through solar PV plants on our facilities' rooftops, we produced a total of 15,751 MWh of electricity in 2025 (2024: 13,683 MWh). Of this amount, 11,158 MWh were directly used by our own sites (2024: 9,152 MWh), and 4,593 MWh were supplied into the public power grid (2024: 4,530 MWh).

adidas is part of the high-climate-impact sectors of 'manufacturing' (textile and apparel, leather, and footwear products) and 'wholesale and retail trade.' While we do not have significant own manufacturing activities, our business model is based on the sourcing, distribution, and selling of finished goods produced by independent, third-party suppliers. In that regard, the net revenue related to high-climate-impact sector activities is equal to our net sales presented in the consolidated income statement.

Energy intensity per net revenue¹

	2025	2024	Change
Energy intensity per net revenue (MWh per million in €)	20.5	21.0	(2%)

1 Net revenue represented by adidas net sales (2025: € 24,811 million).

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions¹

	Retrospective				Milestones and climate strategy target years			Annual % target/ baseline year
	2025	2024	Change	Baseline	Change vs. baseline	2025	2030	
Scope 1 emissions (in tons CO₂e)	20,839	20,844	—%	21,856				
Scope 2 emissions, market-based (in tons CO₂e)	107,143	114,970	(7%)	142,293				
Administrative offices	13,843	21,301	(35%)	13,354				
Distribution centers	5,222	18,994	(73%)	21,647				
Own retail stores	87,432	72,890	20%	104,480				
Showrooms	646	1,785	(64%)	2,812				
Scope 2 emissions, location-based (in tons CO₂e)	166,752	164,079	2%	164,400				
Administrative offices	25,461	25,069	2%	24,005				
Distribution centers	25,752	25,911	(1%)	28,614				
Own retail stores	114,021	111,287	2%	108,885				
Showrooms	1,518	1,812	(16%)	2,896				
Scope 1 and 2 emissions, market-based (in tons CO₂e)	127,983	135,814	(6%)	164,149	(22%)		(70%)	
Scope 1 and 2 emissions, location-based (in tons CO₂e)	187,591	184,923	1%	186,256				
Scope 3 emissions (in tons CO₂e)	6,236,869	5,248,523	19%	6,578,269	(5%)		(42%)	(5%)
Purchased goods and services	5,618,143	4,710,261	19%	6,041,553				
Upstream transportation and distribution	383,810	316,684	21%	343,556				
Business travel	63,092	66,332	(5%)	36,158				
Use of sold products ²	1,128,317	994,948	13%	1,057,515				
End-of-life treatment of sold products	171,823	155,246	11%	157,002				
Total emissions without use of sold products (market-based in tons CO₂e)	6,364,851	5,384,337	18%	6,742,418	(6%)			Net-zero³
Total emissions without use of sold products (location-based in tons CO₂e)	6,424,460	5,433,446	18%	—				(3%)⁴
Carbon intensity (in kg CO₂e)⁵	5.87	6.11	(3.9%)	6.45	(9%)	(9%)		(3%)

1 Details are provided in the explanatory notes to our reported gross Scope 1, 2, 3 and total GHG emissions.

2 In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets.

3 In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90%) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

4 Assumes a cut of all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct reduction actions before neutralizing the residual GHG emissions.

5 Total emissions (market-based) per product produced.

Explanatory notes to our reported gross Scope 1, 2, 3 and total GHG emissions

Our GHG emissions are reported in alignment with the methodologies provided by the GHG Protocol and the requirements laid out by ESRS E1-6.

- In the reporting year, there were no significant changes in connection with our value chain or scope of consolidation that would result in a change to the methodology used to present past progress in meeting our climate strategy targets.

► **SEE ESRS E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION**

- Scope 1 and 2 GHG emissions relate to our own operations including administrative offices, distribution centers, production sites, and own retail stores. The emissions are calculated based on 78% of reported environmental quantities (primary data) in our own operations' the Health and Safety, Environment, and Energy (HSEE) data collection systems. The calculation for the remaining 22% uses estimations by scaling up the primary data collected at the facility or site level to a company-wide level on the basis of gross lease area (in m³). In 2025, our market-based electricity emissions were accounted through the use of contractual instruments. The share of purchased or acquired electricity compared to the overall electricity was as follows: 2% for green tariffs, 31% for unbundled energy attribute certificates, and 9% for VPPA in Europe. In addition, we apply emission factors from different sources in our calculation. For Scope 1 GHG emissions, we use emission factors published by the GHG Protocol, for Scope 2, we use emission factors from the International Energy Agency (IEA) related to emissions from electricity, and from the Department for Environment, Food and Rural Affairs (DEFRA) related to emissions from district heating.
- Scope 3 GHG emissions relate to certain upstream and downstream value chain categories, which are significant due to their magnitude (see below). Wherever available, adidas uses primary data in the calculations (examples of primary data used include the annual material consumption, annual sales volumes, energy consumption of key suppliers, and shipping data for inbound logistics). Collected primary data are complemented by and matched with life cycle assessment (LCA) data in a tool specifically developed for calculating GHG emissions. In addition, emission factors from different sources are used such as DEFRA, IEA and the Product Environmental Footprint Category Rules (PEFCR).
- Scope 3 GHG emissions include the following significant categories:
 - Purchased goods and services: This category considers the production and processing of raw materials, for which impacts are estimated based on quantities of materials and life-cycle analysis data. The reporting-year values cover production seasons SS25 and FW25. All key production processes are factored in. Primary, secondary, and tertiary packaging-material quantities are also included. The quantities are estimated based on sales volumes, using composition and weight assumptions from the PEFCR. Furthermore, this category also considers the assembly phase, for which impacts are estimated by applying emission factors to reported energy consumption from Tier 1 strategic suppliers. Sourcing volume data is used to estimate the impact of non-strategic suppliers (< 20%).

- Upstream transportation and distribution: This category considers inbound and outbound transportation of products. For calculating GHG emissions, quantities of shipped products for specified distribution routes are combined with transport emission factors.
 - Business travel: This category includes emissions from air travel by adidas employees. Emission calculations are based on the business-travel data system.
 - Use of sold products: This category relates to emissions caused by washing, drying, and ironing of sold products throughout their lifetime. The calculation is based on average care-cycle data from PEFCR and life-cycle analysis datasets. In line with our SBTi-validated targets, we exclude Scope 3 GHG emissions from the use of sold products in our total (Scope 1-3) GHG emissions calculation.
 - End-of-life treatment of sold products: This category relates to emissions caused by the disposal of sold products, and the calculation uses estimates based on sales volumes and typical waste disposal routes (e.g., landfill and incineration).
- Scope 3 GHG emissions related to the following categories are considered insignificant for adidas based on their estimated magnitude and/or other GHG Protocol and ISO criteria. Accordingly, these categories are excluded from the reported data: Capital goods, Fuel- and energy-related activities, Waste generated in operations, Employee commuting, Upstream leased assets, Downstream transportation, Processing of sold products, Downstream leased assets, Franchises, and Investments.
- The percentage of Scope 3 emissions calculated using primary data is determined based on the share of emissions for which adidas uses company- or supplier-specific activity data, such as material consumption, energy consumption, transport weights, travel activity, and sales volumes. Where such activity data is combined with emission factors from LCA databases, adidas distinguishes between the origin of activity data and the source of emission factors: the activity data is classified as primary, while the emission factors are treated as secondary inputs used to convert activity data into CO₂e emissions. The resulting emission figures from this combination are classified as being calculated from 'primary data'. In categories where both primary and secondary activity data are used, conservative weighting assumptions are applied. Applying this approach results in 85.5% of Scope 3 emissions being calculated using primary data.
- adidas has no Scope 1 GHG emissions related to regulated emissions-trading schemes.
- adidas discloses Scope 1 and 2 GHG emissions related to the financial reporting scope as outlined in Principles of Consolidation Note 02 in this report. GHG Emissions as described in ESRS E1-6 50.b do not apply.
- ▶ SEE NOTE 02
- Biogenic emissions in Scope 1-3 are not reported separately due to immateriality.

GHG emissions intensity per net revenue¹

	2025	2024	Change
GHG emissions intensity per net revenue (tons CO₂e per million in €)	257	227	13%

¹ Net revenue represented by adidas net sales (2025: € 24,811 million)

E1-7 - GHG removals and GHG mitigation projects financed through carbon credits

adidas has no GHG removal or storage initiatives in place and does not plan to implement any in the mid-term future. In addition, adidas neither purchases nor plans to purchase carbon credits in the foreseeable future to support its climate strategy or to account for them in its GHG emission calculation.

Our climate strategy details our actions and targets to reduce future GHG emissions, which are aligned with the 1.5°C pathway and contribute to a net-zero future. As per the SBTi guideline, we will only consider the purchase and retirement of carbon credits in the long term (including the applicable methodology and framework) to neutralize any potential residual GHG emissions for which reduction actions are not viable (with a maximum of 10% against the baseline year 2022).

E1-8 - Internal carbon pricing

In order to achieve the targets of the adidas climate strategy, the various measures and actions presented earlier are driven along milestones with clearly defined accountabilities. Progress against these milestones is monitored, tracked, and reported regularly to ensure the timely and effective execution. Moreover, embedding the carbon intensity target into the Executive Board’s LTIP serves as an additional steering instrument to ensure that the impact on our climate strategy is a relevant factor in our decision-making (e.g., material selection, investment in renewable energy). We are confident that this approach is sufficient for implementing the needed actions. Accordingly, we do not consider the introduction of an internal carbon-pricing scheme to add value to the execution of the adidas climate strategy at this point in time.

ESRS E2

Pollution

Substances of concern, pollutants from agriculture and production, and microfiber shedding can have adverse effects on the environment. At the same time, regulatory expectations and demand for transparency around chemical use in the supply chain continue to grow. To minimize negative impacts and address evolving market expectations, we work closely with our suppliers and industry partners to advance responsible water and chemical management practices.

Targets

adidas targets focus on preventing and minimizing water pollution and the use of substances of concern by our Tier 1 and Tier 2 suppliers.

✓ ACHIEVED

Quality of wastewater discharge

90%

2025 target achieved

The target was designed to improve the quality of wastewater from selected Tier 1 and Tier 2 suppliers, by achieving recognized industry standards.

(Metric based on number of facilities.)

Chemical input management

2025 result	2025 target
75%	80%

The target focused on eliminating the use of restricted substances in our supply chain by increasing the use of alternative chemicals that meet the highest conformance level according to ZDHC MRS L Standard.¹

(Metric based on number of chemical formulations.)
1. ZDHC – Zero Discharge of Hazardous Chemicals group.

Key metrics and actions

The actions we take are designed to prevent and minimize pollution, avoid the depletion of natural resources, and further minimize the impacts of our suppliers in the upstream value chain.

<p><u>Quality of wastewater</u></p> <ul style="list-style-type: none"> – Bi-annual compliance checks and reporting from suppliers – Support to suppliers to drive continuous improvement – Public disclosure of quality performance on third-party platform 	<p><u>Chemical input</u></p> <ul style="list-style-type: none"> – Robust chemical management from input to final product – Monthly data reporting and monitoring on chemical usage in production – Annual onsite verification checks 	<p><u>Microfiber</u></p> <ul style="list-style-type: none"> – Collaboration with industry and academic institutions to advance test methods – Industry initiative to develop standardized protocols to measure microfiber release
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Industry engagement

We collaborate with industry organizations, such as the ZDHC Group and the Leather Working Group, to promote responsible water and chemical management in textile facilities and tanneries. For the third consecutive year, we achieved the Champion Level in the ZDHC ‘Brands to Zero’ program.

ESRS 2 – General disclosures

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Pollution and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Pollution of water	Negative impact	Actual	n.a.	Upstream	Upstream impacts on water happen either during agricultural or production processes. In agricultural processes, the impact comes mainly from the use of chemicals that can compromise the quality of fresh water. In production processes, the impact is mainly present during the dyeing and tanning phases, as these are water-intensive processes and lead to potential discharge of chemicals.
Substances of concern	Negative impact	Actual	n.a.	Upstream	Multiple chemicals used in our production (Tier 1, Tier 2 and raw material production) are classified as substances of concern. They are difficult to substitute in our industry, as alternatives either do not exist or are costly and/or difficult to obtain and manage. The use of substances of concern leads to adverse impacts on the environment.
Substances of concern	Risk	n.a.	Long-term	Upstream	For adidas, the risk associated with the use of substances of concern could be related to: <ul style="list-style-type: none"> — Stricter regulations, either in sourcing or importing countries, potentially leading to higher operating costs for suppliers and/or market accessibility challenges. — Increased requirements for traceability and transparency of substances of concern throughout the supply chain, leading to higher operating costs for adidas.
Microplastics	Negative impact	Actual	n.a.	Upstream and downstream	Microfibers are generated during the production and use phase of adidas products. Due to the lack of a holistic methodology in the textile industry, it remains difficult to define the exact extent and nature of the impact.

Impact, risk and opportunity management

E2-1 – Policies related to pollution

E2-1 – Policies related to pollution

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives ²	Stakeholder consideration	Availability
Environmental Guidelines (P, S)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes wastewater and chemical management and adidas restricted substances.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	ZDHC Wastewater Guidelines and ZDHC Chemical Management System Technical Guide, ZDHC MRSL, ISO 14001	ZDHC and adidas suppliers	Accessible on corporate website
Policy for the Control and Monitoring of Hazardous Substances (AO1) (S)	Prohibits the use of chemicals considered harmful or toxic and includes the restrictions of using animal-derived materials.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	External stakeholders (NGOs), legislation, and consumers expectations	Accessible on corporate website

1 Material matters addressed by policies and guidelines are abbreviated as follows:

P – Pollution of Water
S – Substances of Concern

2 Explanation of acronyms for third-party standards and initiatives:

ZDHC – Zero Discharge of Hazardous Chemicals Group
WFSGI – World Federation of the Sporting Goods Industry
IUCN – International Union for Conservation of Nature
ILO – International Labour Organization
AFIRM – Apparel and Footwear International RSL Management

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adidas Environmental Guidelines

adidas commits to reducing the environmental impacts of our upstream manufacturing activities. Our policies and guidelines lay out business practices that apply to our suppliers, with whom we closely partner and to whom we provide training for continuous improvement. We set clear expectations for our suppliers regarding the management of pollution-related impacts across water, air, and soil. First, our suppliers as well as their partners should adhere to the respective local regulations and legal requirements, at a minimum. adidas always aims to adopt the industry standard if it is stricter than local regulations. Second, our suppliers must adhere to the adidas Environmental Guidelines, which have been developed to minimize and mitigate environmental impacts. The adidas Environmental Guidelines draw on good industry practices and provide guidance on preventing pollution. They also establish environmental and chemical management systems, including the handling of substances of (high) concern. Our approach prioritizes the proactive prevention of pollution incidents and lays out guardrails to minimize the impact of emergencies if they occur.

To ensure compliance with our guidelines and policies, our suppliers are required to conduct audits and assessments (managed by third-party verifiers) on a yearly basis. Any facilities that fail to meet our expectations must immediately follow the mitigation process defined in the adidas Workplace Standards and the Remediation Guide and take action to address any adverse impact. In addition, we encourage our suppliers to develop pollution prevention strategies. Our regional teams track and monitor our suppliers' environmental performance through monthly reporting into the adidas data-collection platform.

► **SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION**

Control and monitoring of hazardous substances in our supply chain and products

adidas is highly committed to responsible chemical management across its global supply chain, taking an end-to-end approach to eliminate any restricted substances used in production. As a founding member of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation, we have been actively supporting the development of industry standards on chemical management and wider policy requirements since 2011. Our engagement includes promoting standardized measurement across the apparel and footwear industry by developing and implementing a commonly accepted testing methodology and related acceptable thresholds, as well as setting strict industry requirements that go beyond legal mandates. Since 2015, adidas has adopted the ZDHC MRSL (Manufacturing Restricted Substances List) industry standard, which outlines the chemical substances prohibited from any intentional use in the processing of textiles, leather, rubber, foam, adhesives, and trims. adidas additionally uses its own comprehensive restricted substance policy in products – the adidas Policy for the Control and Monitoring of Hazardous Substances²⁷ to avoid and control the use of any restricted substances, such as APEO, PFAS etc., in its products and to ensure consumer safety, going beyond the legal requirements.

This dual approach also reinforces adidas' commitment to PFAS-free production, in response to growing awareness and regulation around the environmental and health impacts of perfluorinated compounds (PFCs). We continue to enhance product performance while collaborating with industry partners to identify and implement safer alternatives.

Other guidelines

To monitor wastewater effluent (chemical output management), we apply the ZDHC Wastewater Guidelines Version 2.2 which establishes a unified approach to wastewater parameters and limits. These guidelines ensure a high standard of wastewater quality treatment, minimizing environmental harm when wastewater is discharged from suppliers' facilities. We collaborate with the ZDHC Foundation to drive industry engagement to improve the wastewater quality standards beyond legal requirements.

²⁷ Restricted substances list can be found on our website. ► [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES](https://www.adidas-group.com/sustainability/policies)

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End-to-end chemical management requires not only controlling inputs and outputs, but also oversight during production processes, where pollution incidents can occur through chemical leaks or emissions. To mitigate these risks, adidas expects suppliers to implement comprehensive environmental, health and safety (EHS) management systems as well as continual risk management and remediation measures. These expectations are laid out in our adidas Environmental Guidelines, the ZDHC Chemical Management System Technical Guide and our Health and Safety Guidelines.

▶ SEE ESRS S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

By stipulating process control through guidelines, we aim to prevent contamination incidents and uphold the chemical safety standards throughout our supply chain.

Microplastics²⁸ – Microfiber Position Paper

adidas recognizes that the release of microplastics – also referred to as microfiber shedding or fiber fragmentation – during production, consumer use, and end-of-life is a multidimensional environmental challenge. Scientific research²⁹ shows that both synthetic and natural fibers shed, and that biodegradability does not eliminate environmental risk. A holistic and standardized approach is essential to accurately quantify the release of microfibers and assess its environmental impact. However, the industry currently lacks a comprehensive, reliable, and scalable methodology for the different stages of the value chain, hindering effective action. Over the past few years, adidas has actively partnered with different industry experts, including The Microfibre Consortium (TMC), the Zero Discharge of Hazardous Chemicals Group (ZDHC), and Fashion for Good (FFG), to collectively drive progress in microfiber research and testing development. In addition, the ZDHC Group and TMC have recently partnered to explore practical indicators of microfiber release from production, based on wastewater metrics.

In 2025, we published the adidas Microfiber Position Paper internally to share our approach to this topic and to reinforce our commitment to transparency and collective action. adidas is committed to implementing evidence-based interventions, standardized pollution measurement methodologies, and fostering industry collaboration across the sector. As research into microfiber shedding continues to evolve, adidas aims to define a policy, actions, and targets to avoid or minimize microfiber release during production and provide consumers with clear guidelines for product use and disposal.

E2-2 – Actions and resources related to pollution

As outlined in our adidas Environmental Guidelines, our actions aim to prevent and minimize pollution, avoid the depletion of natural resources, and further minimize the impacts of our suppliers in the upstream value chain.

The coordination and monitoring of actions is performed by our Sourcing Sustainability team, which operates within our key sourcing countries. Unless explicitly described otherwise, all checks, tests, and verifications of the measures described were carried out by an independent third party for both pollution prevention and minimization of substances of concern. The majority of actions are reported and monitored on a monthly basis, with the exception of wastewater testing and annual verification checks. All of the measures described are designed to be ongoing in order to achieve adidas' targets.

²⁸ ▶ [OCEANCONSERVANCY.ORG](https://oceanconservancy.org)

²⁹ ▶ [MICROFIBRECONSORTIUM.COM](https://microfibreconsortium.com)

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Pollution prevention

In the reporting year, adidas carried out the following actions based on our standard practices:

- We conducted an annual environmental compliance check with 80% of Tier 1 and Tier 2 facilities, based on sourcing value.³⁰ No critical findings regarding air, water, or soil pollution were identified in the 2025 annual assessments, consistent with the results from 2024.
- To increase environmental transparency and accountability in our supply chain, since 2015 we have encouraged our suppliers' facilities located in China to report their water pollution data annually to the IPE Pollutant Release and Transfer Register (PRTR) platform. In 2025, 85% of our suppliers' facilities disclosed their performance metrics on the PRTR platform. We expect that this disclosure will drive supplier differentiation and showcase each supplier's individual environmental commitment. Based on our suppliers' disclosure in the PRTR, adidas was ranked number one in 2025 in the IPE CITI rating.
- Since 2017, in line with the ZDHC Wastewater Guidelines and the 'right to know' principle, we expect our Tier 2 suppliers (80% of Tier 2 suppliers performing wet processes, based on sourcing value) to test their wastewater twice a year and to disclose the results on the Institute of Public & Environmental Affairs (IPE) DETOX platform or the ZDHC Gateway platform. In the event of a noncompliance case, the supplier is required to address the issue and perform a follow-up audit to confirm the new wastewater quality results.
- To strengthen wastewater management across our supply chain, we have partnered with service providers, e.g., ZDHC-approved laboratories and third-party consultants, to guide suppliers in advancing their wastewater treatment capabilities. Through on-site evaluations and consultations, suppliers receive tailored guidance to enhance their treatment capabilities and operational practices. This support is designed to improve the quality of their wastewater, enabling it to be recycled or safely discharged, surpassing legal requirements. The findings are also shared at our regional supplier summit to foster knowledge exchange among industry peers. The initiative covers 80% of Tier 1 and Tier 2 suppliers with wet processing facilities, based on sourcing value.
- We have implemented an effluent treatment plant evaluation initiative to enhance the operation of on-site effluent plants. This initiative contributed to adidas' goal of having 90% of its suppliers achieve the ZDHC Wastewater Foundational Level for their wastewater quality by 2025. Furthermore, it aims at facilitating suppliers' continuous improvement in wastewater quality monitoring and control, ensuring environmental standards are met.
 - ▶ **SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION**
- Furthermore, adidas has been a member of the Leather Working Group (LWG) since 2006. The LWG certification emphasizes responsible water and chemical management in tanneries, particularly through wastewater treatment practices, aiming to reduce water pollution derived from tanning processes.

Our action to lay the foundation for our future focus:

To drive continuous improvement in minimizing the environmental impact, adidas has reviewed its current approach to monitoring the water pollutants in its supply chain. Building on our ongoing adoption of the ZDHC Wastewater Guidelines and in alignment with SBTN's science-based targets for nature framework, we are introducing targeted controls for the two common pollutants nitrogen and phosphorus. We have defined a clear target for our facilities to reach the ZDHC Aspirational Level for both pollutants, reaffirming our commitment to reducing discharges into bodies of water.

³⁰ Unless described otherwise, this scope always applies in E2-2 and E2-3 when referring to 'Tier 1 and Tier 2 suppliers'.

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For information on our approach to addressing actual or potential negative impact on affected communities with regard to water and sanitation, please refer to:

▶ **SEE ESRS S3-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS**

Minimization of the use of substances of concern

In the reporting year, adidas carried out the following actions based on our standard practices:

- We continuously take a precautionary approach and monitor the chemical formulations used in our production to avoid any restricted substances from being intentionally used. We adhere to the latest version of the ZDHC MRSL for our restricted substances list. Each year, our suppliers (80% of Tier 1 and Tier 2 suppliers with chemical usage facilities, based on sourcing value) undergo an on-site assessment focusing in particular on their chemical usage, compliance status, and improvement progress.
- Our Tier 1 and Tier 2 suppliers continued to report on their chemical inventory and consumption on a monthly basis through a third-party online chemical inventory platform (BV Ecube). We monitor our chemical profiles monthly to avoid any intentional use of restricted substances and to ensure overall compliance, environmental protection, and worker safety. Additionally, annual ZDHC MRSL targets are established at the facility level to promote the adoption of safer chemicals. Their usage performance is also reviewed monthly.
- We actively engage and collaborate with several industry organizations. This includes our engagement with the ZDHC Group, which has been externally recognized, and for which we received the Champion Level in the ZDHC ‘Brands to Zero’ program in 2025.³¹ This is the third consecutive year that adidas achieved the highest level in this program, demonstrating our efforts to drive chemical management in our supplier base and our achievement in avoiding any restricted substances used in our manufacturing process. Besides our engagement with the ZDHC Group, we actively collaborate with key industry organizations including the Apparel and Footwear International Restricted Substances Management Working Group (AFIRM), the International Chemical Secretariat (ChemSec) Business Group, the Better Cotton Initiative (BCI), and the LWG. Our collective efforts with organizations that shape the environmental requirements for our raw materials are important to advance chemical management in the industry and to minimize the use of substances of concern in production processes. For more information:

▶ **SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS** ▶ **SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY**

Our action to lay the foundation for our future focus:

In response to evolving requirements, adidas took a decisive step in 2025 to define a clear target for managing substances of concern in our supply chain. Building on our continued adoption of the ZDHC MRSL, this target will assist in guiding our facilities to source chemicals that meet the highest level of the MRSL. As part of this commitment, we have established a target to limit the use of substances of concern to no more than 5%. We expect this action to reinforce our efforts to reduce environmental and health impacts associated with chemical use.

³¹ Our achievement in implementing the MRSL conformance has been recognized and featured on ZDHC’s official communication channel. ▶ [LINKEDIN.COM](https://www.linkedin.com)

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Microfiber approach

In previous years, adidas conducted extensive internal research, using advanced analytical techniques, such as Fourier Transform Infrared (FTIR) spectroscopy, to distinguish textile-derived particles from background contamination. These efforts have helped to build a more accurate understanding of fiber fragmentation. The findings also provided foundational insights to support the development of methodologies to measure shedding during the consumer use phase.

In the reporting year, adidas carried out the following actions to establish a standardized industry approach to addressing microfiber pollution:

- To advance industry knowledge and solutions, adidas collaborated with TMC, FFG, and academic institutions as part of the 'Behind the Break' initiative in 2025, exploring fiber fragmentation. Through this collaboration, adidas contributed research findings and participated in evaluating shedding test methods focusing on identifying potential root causes associated with the manufacturing process of various fiber types.
- adidas partnered with TMC and the ZDHC program to launch a twelve-month wastewater study project, which will be finalized in 2026. adidas plays a key role in the project to contribute a supply chain perspective and aims to translate conceptual ideas into actionable items. This includes adopting Dynamic Image Analysis (DIA) to monitor fiber output in effluent streams, with the goal of developing reliable and standardized microfiber measurement protocols. Since there is currently no universal standard for testing microfiber in industrial wastewater, the ZDHC uses total suspended solids (TSS) as a practical indicator of microfiber release. Lower TSS levels in ZDHC wastewater test results reflect the reduction of microfiber discharge, making TSS a potentially critical metric for evaluating progress.

Metrics and targets

E2-3 - Targets related to pollution

We aim to proactively work with our Tier 1 and Tier 2 suppliers to reduce environmental pollution, including pollutants to water and chemicals resulting from our manufacturing activities, wherever possible. Our methods and targets are based on two approaches: Prevention to minimize pollution and regular monitoring of the improvement progress.

adidas has set two targets to minimize emission into water and use of substances of concern, as well as to support the objectives of the adidas Environmental Guidelines. Both targets, quality of wastewater discharge and chemical input management, were developed considering the ZDHC MRSL and Wastewater Guidelines and are supported by baseline assessments and industry benchmarks. Moreover, suppliers were involved based on maturity and readiness assessments. Lastly, both targets apply ZDHC guidelines as their main guiding principle, as they are based on the latest scientific studies of the apparel and footwear industry. The guidelines are reviewed by the ZDHC Advisory Committee on a regular basis to ensure they meet the latest industry requirements.

Pollution of water: Quality of wastewater discharge

Our target was for 90% of Tier 1 and Tier 2 suppliers operating on-site effluent plants to attain the ZDHC Wastewater Foundational Level by the end of 2025, fulfilling both the MRSL and conventional parameters according to the ZDHC Wastewater Guidelines. The methodology follows the latest ZDHC Wastewater Guideline (v2.2), which underpins local requirements and sets minimum requirements for testing and managing wastewater to ensure it is safe for the environment. The requirements cover over 200 indicators,

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including key water pollutants such as heavy metals and hazardous substances regulated under the MRSL and COD (Chemical Oxygen Demand).

Wastewater testing is conducted twice a year by third-party accredited laboratories, which submit test reports directly to adidas. Annual targets are also set at the facility level to foster continuous improvement in wastewater quality. In 2025, through collective efforts from suppliers to make year-on-year progress, we achieved our annual target with 90% of our Tier 1 and Tier 2 suppliers meeting wastewater quality at or above the ZDHC Wastewater Foundational Level (2024: 86%).

Substances of concern: Chemical input management

In 2021, we established the measurement framework and implemented a data-collection system to collect accurate chemical inventory information from our suppliers. This laid the foundation for effective monitoring and tracking of chemical usage throughout our supply chain. It also enabled us to set up a chemical input management target for our suppliers. This target is designed to focus on eliminating the use of any restricted substances in our supply chain by increasing the use of Level 3 chemicals (chemicals that meet the highest conformance level according to the ZDHC MRSL standard).

Our 2025 target was for 80% of the chemical formulations used in our production (total number of chemical formulations) to achieve the ZDHC MRSL Level 3 standard. This KPI is based on the total number of formulations used by Tier 1 and Tier 2 suppliers with chemical usage, classified according to the ZDHC MRSL. Only formulations that meet Level 3 are counted toward the achievement. Data is collected over a twelve-month period (November to October), reported directly by suppliers via the BVE3 platform and validated by third-party auditors. To drive continuous improvement, annual targets have also been set at a facility level for the past five years. Performance is evaluated annually, and suppliers are required to track their performance and report progress monthly. The evaluation processes are conducted by third-party auditors. Through strong collaboration with our chemical formulators via the ‘adiFormulator’ program, which has been running since 2023, we have improved the quality of chemicals to meet the ZDHC MRSL Level 3 requirements. As a result, 75% of chemical formulations used in production met the ZDHC MRSL Level 3, up from 73% in 2024.

Share of chemical formulations used at suppliers meeting ZDHC MSRL level 3 in %



Our Tier 1 and Tier 2 suppliers are required to fulfill local regulatory requirements, as well as adidas specific environmental requirements, as stated in the adidas Environmental Guidelines. Pollution-related metrics and targets are adidas specific and are applied to suppliers with high environmental risk due to their production processes and significant sourcing value in the respective year. Suppliers are reviewed annually to ensure adequate coverage of our environmental measures.

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Microfiber management

The TMC and ZDHC are focusing on validating test methods for microfiber shedding through TSS analysis. Due to the current limitations in distinguishing microfibers from other particles in TSS, it is premature to set specific microfiber metrics. The TMC and ZDHC are developing a reliable measurement framework, which is essential for establishing future KPI-setting based on a credible and industry-aligned methodology.

ESRS E3

Water and Marine Resources

adidas understands the importance of reducing the environmental impacts caused by its upstream manufacturing activities. Water consumption, withdrawal, and discharge in our upstream value chain lead to changes in water availability and water pollution, which may affect local communities and, in the future, lead to business disruption among our suppliers.

We work to promote responsible water management across our supply base by encouraging the continuous reduction of water consumption and supporting the implementation of effective water-saving and conservation practices.

Targets

adidas' target focuses on improving suppliers' water efficiency on a yearly basis, resulting in a reduction in the amount of water used.

 **ACHIEVED**

Water intensity reduction

40%

(achieved 43% in 2025)

The target focused on water-intensive Tier 2 suppliers and was designed to reduce their water usage on an intensity level.

(Metric based on number of facilities)



New target for 2026+

Achieve 40% water recycling at Tier 1 and Tier 2 suppliers by 2030.

Key metrics and actions

Our actions are formulated to address water management holistically. They are designed to help us monitor water consumption, improve water discharge, and drive water efficiency and sustainable water management in our upstream value chain.

- Continuous monthly reporting and monitoring, with yearly review cycles and third-party verification
- Technical advice and innovation workshops to improve water management practices
- Industry engagement and collaboration
- Water risk assessment of Tier 1 and Tier 2 suppliers and own operations
- Foundation setting for science-based targets for nature related to freshwater (steps 1 and 2 of the SBTN framework completed)

ESRS 2 – General disclosures

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Water and marine resources and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Water consumption	Negative impact	Actual	n.a.	Upstream	Impacts on water consumption occur either in the upstream agricultural or facilities' operational processes. In agricultural processes, the impact comes mainly from the consumption of water, through plant evaporation, for raw material production (e.g., cotton cultivation). In facilities' operational processes, the impact occurs with the use of water for personal consumption, hygiene and sanitation purposes. In severe cases, these impacts could lead to a reduced water availability for local communities.
Water withdrawal	Negative impact	Actual	n.a.	Upstream	Impacts on water withdrawal occur mainly during upstream water-intensive production processes, such as dyeing and tanning (mostly present at our Tier 2 suppliers). In severe cases, the combination of location and water-intensive processes could lead to a reduced water availability for local communities.
Water withdrawal	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to water withdrawal could be related to: <ul style="list-style-type: none"> — Stricter regulation in the sourcing countries, potentially leading to higher operational costs for suppliers. — Business disruption and/or reduced manufacturing capacity at our suppliers, due to the reduced availability and higher cost of water.
Water discharges	Negative impact	Actual	n.a.	Upstream	Impacts on water discharges occur during upstream production processes. They are mainly present during the dyeing and tanning phases as these are chemical and water-intensive processes. In severe cases, these impacts could lead to the pollution of bodies of water compromising living conditions for local communities.
Water discharges	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to water discharge could be connected to: <ul style="list-style-type: none"> — Stricter regulation in sourcing countries, potentially leading to higher operating costs for suppliers and/or fines for non-compliance. — Reputational risks, if adidas is linked to claims related to damage of living conditions by local communities due to improper water discharge.

At adidas, our own operations mainly include offices, retail stores, and distribution centers. These sites do not rely on water for industrial processes, and water use is limited to domestic purposes. Wastewater is directed to public sewer systems for treatment by local authorities, and no discharge goes directly into natural water bodies. Nevertheless, we continuously monitor and manage water-related topics in our own operations through our Integrated Management System, including the implementation of water-saving technologies and best practices, wherever possible.

Impact, risk and opportunity management

E3-1 – Policies related to water and marine resources

E3-1 – Policies related to water and marine resources

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Environmental Guidelines (WC, WW, WD)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes information on water efficiency and requirements for water withdrawals and water conservation.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	WHO Guidelines for drinking water quality	adidas suppliers, affected communities, ZDHC	Accessible on corporate website
Water Management Policy (WC, WW, WD)	Outlines our water management approach in upstream manufacturing activities. It requires suppliers to implement responsible and science-based practices.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Science Based Targets Network (SBTN)	adidas suppliers, affected communities	Available on supplier SharePoint

¹ Material matters addressed by policies and guidelines are abbreviated as follows:

WC – Water Consumption

WW – Water Withdrawal

WD – Water Discharge

adidas Environmental Guidelines

Our adidas Environmental Guidelines set specific and measurable targets for suppliers with water-intensive processes in their facilities (mostly Tier 2 suppliers), while Tier 1 suppliers adopt a self-governance approach and are encouraged to continuously improve their water efficiency and reduce their consumption. We communicate the objectives and related targets of the adidas Environmental Guidelines to all affected suppliers, including the specific requirements outlined in the ‘Water Conservation and Access to Water’ section. At a minimum, we expect suppliers to comply with the following:

- Any abstraction of water from surface or groundwater must comply with local regulations and be authorized by the relevant authorities.
- Illegal water intake is prohibited.
- Suppliers are expected to ensure responsible water extraction and consumption. They are strongly encouraged to implement water recycling and reuse practices to minimize overall water intake.

Water Management Policy

Our Water Management Policy, aligned with our adidas Environmental Guidelines, aims to address water withdrawal and discharges by promoting the continuous reduction of water consumption in our upstream value chain, where water use hotspots in manufacturing processes can be found. The policy applies to 80% of Tier 1 and Tier 2 suppliers, based on sourcing value.³² This also includes suppliers that may be located in water-risk areas according to adidas’ water risk assessment. Based on scientific frameworks such as SBTN, this policy also supports various conservation measures, including water-saving and recycling practices as well as improvements to sanitary conditions in factory environments. In addition, our policy also emphasizes responsible wastewater management to mitigate water quality risks related to the activities conducted by the above-mentioned suppliers.

³² Unless described otherwise, this scope always applies in E3-1, E3-2, and E3-3 when referring to Tier 1 and Tier 2 suppliers.

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These suppliers are required to comply with our policies, which mandate responsible water use, including managing withdrawals and discharges. Suppliers are encouraged to continuously improve water efficiency and discharge quality to reduce their impact on ecosystems. Compliance and performance related to these policies and targets are verified annually through independent third-party audits.

Policies, actions, and targets related to water quality – specifically those addressing water pollution, wastewater management, and microfibers in our supply chain – are detailed in all the sections of chapter E2. For further information, please refer to:

▶ SEE ESRS E2 – POLLUTION

E3-2 - Actions and resources related to water and marine resources

Our actions regarding the material topics are related to our upstream supply chain. They adhere to our Water Management Policy and adidas Environmental Guidelines and are designed to holistically address the material water topics in our upstream supply chain. These actions are designed to help us monitor water consumption and withdrawal, improve water discharge, and drive water efficiency and sustainable water management in our upstream value chain. They collectively contribute to the implementation of the policies and the achievement of the water intensity reduction target at the supply chain level. Our actions tackle all the material impacts, risks and opportunities identified in section SBM-3 – Materials impacts, risks and opportunities and their interaction with strategy and business model.

These actions are mainly executed and monitored by our Sourcing Sustainability team, which operates within our key sourcing countries. The team provides capacity building training and technical advice to individual suppliers (Tier 1 and Tier 2) on areas for improvement, focusing on resource efficiency and responsible management practices. Stakeholder collaboration and engagement is driven by the Sustainability and ESG team in alignment with the Sourcing Sustainability team.

In the reporting year, adidas carried out the following actions related to water management:

- **Setting upstream supply chain targets:** To reduce water withdrawal from natural sources, adidas recognizes the importance of responsible water management and clear reduction targets. Building on the progress achieved over the past five years, we are committed to further advancing water reuse and recycling within our production processes. In 2025, we established a new five-year target of achieving 40% water recycling among our Tier 1 and Tier 2 suppliers. We believe that setting such targets not only supports sustainable business growth but also contributes to the long-term mitigation of water stress in the regions where our suppliers operate.
- **Continuous technical support, monitoring, and reporting:** For over a decade, adidas has conducted monthly monitoring of water consumption and water flow at key production sites. Regional teams systematically track and report water usage and discharge through sub-metering. This enables the early detection of leaks, abnormal usage, and areas for improvement. Any anomalies trigger immediate corrective action, with suppliers responsible for resolution and regional teams providing follow-up and remediation support as needed. We also offer technical guidance to suppliers, promoting best practices, such as recycling cooling water and installing reverse osmosis systems for effluent treatment. To further enhance water efficiency and support our water and pollution targets, our adidas Environmental Guidelines outline key actions for water recycling and recovery at supplier facilities. These include storm and rainwater harvesting, zero discharge design, recycling of wastewater in production and cooling towers, use of local recirculation systems, reusing and recycling cooling tower blowdown, and minimizing condenser or cooling tower blowdown to prevent dissolved solids buildup. We also engage third-party experts to conduct on-site visits and provide technical support to suppliers in implementing these measures.

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- **Third-party verification:** All of the above-listed actions and reported data from our Tier 1 and Tier 2 suppliers are verified by third-party experts, who also provide advice on further water-saving practices, ensuring compliance with our standards and guidelines on an annual basis. We conduct yearly review cycles to evaluate our water management program on Tier 2 level. The review of water management areas revealed no major concerns. Advancements in water intensity savings are highlighted in the E3-3 target section.

 - **Stakeholder engagement and collaboration:** In 2025, adidas deepened its engagement within the sustainability community – both with industry peers and partners across its supply chain – to advance responsible water and pollution management. We organized awareness initiatives, such as webinars and supplier summits, to share best practices and industry expertise. Ongoing collaboration with organizations such as the Leather Working Group (LWG) and the Better Cotton Initiative (BCI) helped shape environmental standards for raw materials, with a focus on water management at tanneries and farms, soil health, and the responsible use of pesticides. To put these commitments into practice, adidas prioritized sourcing preferred materials during the product design phase, including LWG-certified leather and third-party-certified cotton. This approach ensures robust water resource planning and addresses our water IROs through recognized certification schemes.

 - **Internal learning and innovation for water management:** In 2025, adidas organized learning sessions with different stakeholders in our supply chain, including one Tier 4 supplier, to address cross-industry challenges related to water withdrawal and consumption in textile and agriculture sectors. These sessions focused on exploring innovative solutions, such as advanced recycling systems and digital monitoring technologies, aimed at reducing water impact across the supply chain. By engaging both external stakeholders and employees, this initiative reinforced the importance of effective water management and fostered greater awareness and action across all levels of the organization.

 - **Water risk assessment across the supply chain:** In 2025, we carried out a water risk mapping, which included areas of high-water stress, for our Tier 1 and Tier 2 suppliers as well as for our owned and managed facilities. The assessment was performed with the WRI Aqueduct 4.0 tool. The aim was to understand the water risks associated with the activities of our local suppliers in their operating areas. This helped us make informed decisions to safeguard our long-term business. Regarding our suppliers, we plan to incorporate these insights into our communication channels to develop mitigation and adaptation plans that address the identified water risks.

 - **Laying the foundation for science-based targets for nature:** In 2025, we successfully completed steps one and two of the Science Based Targets Network (SBTN) framework, marking a significant milestone in our commitment to taking action. Step one involved conducting a robust materiality assessment to identify our most relevant impacts and dependencies on nature to confirm that our efforts are focused where they matter most in relation to our activities and materials in our supply chain. Step two enabled us to gain a deep understanding of our footprint across key environmental domains – freshwater, land, biodiversity, and climate – laying the foundation for setting science-based targets for nature. These steps not only enhanced our strategic alignment with adidas' decarbonization and deforestation-free goals but also strengthened our data capabilities and cross-functional collaboration. Moreover, we are convinced that these steps will assist us in driving meaningful change in the next phases, especially in activities related to freshwater in our supply chain. The results related to freshwater will be used as the basis for the next phase of target-setting for our supply chain and for our own operations.

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Our actions regarding water quality, including pollution related to wastewater, as well as information concerning wastewater recycling for our supply chain, are disclosed in E2-2 – Actions and resources related to pollution. Actions related to the reduction of plastic use in our products are disclosed in E5-2 – Actions and resources related to resource use and circular economy.

▶ SEE ESRs E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION ▶ SEE ESRs E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Metrics and targets

E3-3 – Targets related to water and marine resources

Addressing water withdrawal and water consumption in our supply chain

To reduce the water withdrawal across our supply chain, we promote more efficient water use in our production processes. To achieve this, in 2020 we set a five-year water intensity reduction target for our global supply chain: reduce the overall water intensity at adidas’ water-intensive Tier 2 production facilities by 40% by 2025 (baseline: 2017; baseline value: approximately 0.0157 m³/US \$ – m³/total product output value in US \$). This target was established to consider the quantity and quality of water from intensive water usage manufacturing processes, and it is not yet connected with a specific water risk level.

Moreover, the target and its related metric are adidas specific and not required by legislation. For this target, individual facilities were expected to reduce their water intensity by at least 5% each year, resulting in a decrease of the amount of water used – e.g., by increasing the recycling rate of water used in production and minimizing freshwater intake. The target contributes to achieving the reduction in water withdrawal and water consumption, as stated in the adidas Environmental Guidelines.

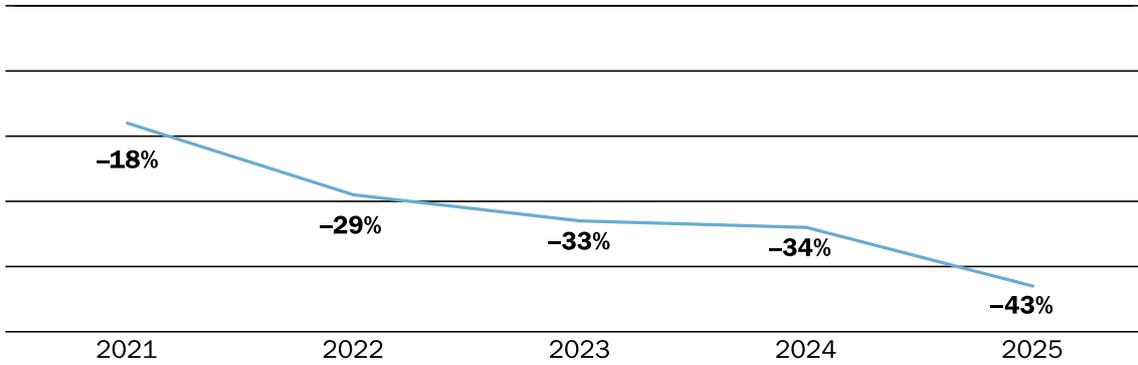
This water intensity target was based on facility-level water use in activities and processes, with a focus on WWF-identified hotspots³³ in the textile supply chain where adidas has direct influence. While this target was not initially developed with consideration of the specific local water basin conditions of our suppliers, the actions taken to achieve it have always accounted for local capabilities and natural conditions. This approach ensured that implementation was responsive to the unique challenges and opportunities at each site. Looking ahead, we plan to align future freshwater targets with the Science Based Targets Network (SBTN) requirements for nature-related goals, building on insights gained from our previous actions and resources, as described in E3-2. This will enable us to better integrate local water basin conditions into our target-setting process and further enhance our impact on water and marine resources.

In the reporting year, we exceeded our 2025 water-intensity reduction target of 40%, achieving a 43% reduction (2024: 34%). This progress reflects the commitment of our Tier 2 suppliers, who continue to improve the water management practices within their operations. Through our annual assessment process with suppliers and third-party auditors, we identified improvement opportunities and continuously bring efficiency to the overall process.

³³ Morgan, A.J., Luthra, P., Parma, M. and Petrie, L. (2022) Eau Courant: Water stewardship in apparel and textiles – Part I, Water and the Industry’s value chain. WWF-Germany.

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Water intensity at Tier 2 production facilities in % vs. 2017 baseline



The target performance was tracked and verified on an annual basis, based on primary consumption data reported by each facility into the adidas system and verified by third-party auditors. Water intensity is calculated as the volume of water used in a specific facility (in m³) per product output value (in US dollars). Data covers a twelve-month period (from January to December) and a third-party auditor validates the data before we use it for the KPI calculation. The metric was developed in accordance with relevant industry standards, baseline assessments, and best practices among our suppliers and peers.

For targets related to water quality, such as quality of wastewater discharge and chemical input management targets, please see the following section:

▶ SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION

ESRS E4

Biodiversity and Ecosystems

Managing the impact of our business operations on biodiversity and ecosystems along the value chain is a key focus of our sustainability strategy. The usage of nature-derived materials and conventional agricultural practices leads, in severe cases, to land-use change and a reduction of biodiversity which can affect ecosystems and local communities, but also future availability of these materials. To address these impacts, we follow holistic frameworks such as SBTN’s science-based targets for nature and the Accountability Framework to guide our approach: assess, reduce, and restore. Our nature strategy is operationalized through our Biodiversity and Ecosystems Policy.

Targets

Deforestation- and conversion-free (DCF) supply chains for high-risk commodities by 2030

This target applies to the high-risk commodities sourced for adidas products: bovine leather (excluding recycled leather and leather trims), natural rubber and timber-related materials (man-made cellulosic fibers and paper-based packaging)

100%

third-party certified cotton
(achieved since 2018)

This target applies to all cotton sourced for adidas products.



100%

third-party certified wool
(achieved since 2024)

This target applies to all sheep wool sourced for adidas products.



Key metrics and actions

In 2025, we started rolling out our Biodiversity and Ecosystems Policy and continued to focus on the traceability of materials, material innovation, and collaboration to drive change in the industry.

- Advanced supply chain mapping for leather, natural rubber, and timber-derived materials
- Created awareness for suppliers on our sourcing practices and expectations
- Formalized guidance on sourcing man-made cellulosic fibers and cotton
- Collected country of origin information for cotton based on supplier self-declaration and continued to steer our cotton portfolio toward a verified country of origin for all cotton sourced
- Continuously scouted and piloted material solutions
- Collaborated with industry organizations such as Textile Exchange, Better Cotton Initiative, and Leather Working Group to create industry standards that help reduce the impact of raw materials on biodiversity and enhance transparency in the supply chain

ESRS 2 – General disclosures

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Managing the impact of our business operations on biodiversity and ecosystems along the value chain is a key focus of our work in the area of sustainability. For this, we follow holistic frameworks such as SBTN's science-based targets for nature and the Accountability Framework to guide our approach: assess, reduce, and restore.

While we have transparency on the locations and business activities of our Tier 1, Tier 2, and part of our Tier 3 suppliers, information about the origin of raw materials (suppliers in Tier 4 and beyond) is not available in a systematic and verified manner. As man-made deforestation is the biggest driver of terrestrial biodiversity loss globally,³⁴ we focus on deforestation-free supply chains as a priority for us for the years to come.

At the same time, we understand that maintaining, preserving, and restoring biodiversity is a complex challenge that requires systemic change and strong collaboration among multiple actors, including suppliers, certifiers, innovators, NGOs, and industry peers. As a signatory of the Fashion Pact and a member of several industry working groups, we are committed to setting specific targets and action plans to decrease our impact on biodiversity and advocate for the topic in different forums, including support for innovation, which adidas understands as an important enabler for systemic change.

Biodiversity is also addressed through water efficiency, water quality, and chemical management programs with Tier 1 and Tier 2 suppliers.

▶ SEE ESRS E2 – POLLUTION ▶ SEE ESRS E3 – WATER AND MARINE RESOURCES

Biodiversity assessment 2025

adidas recognizes its dependencies on reliable and cost-effective access to ecosystem services and at the same time also acknowledges its impacts on ecosystems and their provision of different ecosystem services. These indirect or direct impacts, being positive or negative, were considered in adidas' dependencies and impact analysis conducted in 2025 as part of the SBTN exercise,³⁵ using ENCORE, a specialized tool for biodiversity and assessments related to natural capital. The analysis concluded that the biggest dependencies and impacts are related to structure and biotic integrity, followed by water and atmosphere. This is due to our business reliance on raw materials and on regulating and maintenance services related to water, but also due to pressures on the physical structure and composition of different ecosystems, such as climate, rainfall pattern, and soil regulation services. Species as natural capital turned out to play a significant role in our upstream value chain through their ecosystem services, such as solid waste remediation, biological control, and pollination services. For these ecosystem services, understanding the relevance of possible local impacts is paramount, and, for this reason, adidas conducted a more detailed biodiversity assessment, including the factor of proximity to sensitive biodiversity areas as key criteria.

Overall, the biodiversity dependencies and impacts analysis as well as the biodiversity risk analysis and the biodiversity proximity impact assessment, all showed that biodiversity dependencies, impacts, and risks as described in ESRS 2 IRO-1 and in table SBM-3 – Biodiversity and ecosystems material impacts, risks and opportunities are more prevalent in the upstream value chain and will become more relevant for adidas from 2030 onwards (long-term timeframe). Nevertheless, due to our operating model and our agility and

³⁴ ▶ UN.ORG

³⁵ Different tools were used for the different steps of SBTN. ENCORE and LCA models were used as part of SBTN step 1: Assess.

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flexibility in terms of design, material selection, and sourcing locations – all connected to our upstream value chain – we consider our business model and our strategy sufficiently resilient in the short and medium term.

► SEE ESRS 2 – IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Scope and main assumptions

Our biodiversity dependencies and impacts analysis has taken into account the current adidas business model and value chain, covering main manufacturing processes used by our direct suppliers, e.g., Tier 1 manufacturing of footwear and apparel, and also activities related to our indirect suppliers, such as Tier 3 leather tanneries and spinning and weaving mills, which are located in our upstream value chain. Our own operations (offices and distribution centers) were also included in the analysis. The assessment was conducted by using the ENCORE tool and LCA models, based on the type of economic activities carried out in our value chain (which were based on the International Standard Industrial Classification of All Economic Activities – ISIC – codes), especially considering adidas' use of natural and synthetic materials for its products.

To enhance our analysis, we also considered biodiversity-related aspects in the climate risk assessment – mainly related to the effects of changes in the weather patterns and the associated risk of sourcing essential natural materials such as cotton, leather, and rubber in the future and the impacts of climate change on the availability of these materials. For this risk assessment, we did not take into consideration any future potential changes to our asset base, sourcing locations, and material portfolio. Also, to be conservative, we did not assume technology-driven yield improvements in the production of raw materials.

Lastly, understanding that biodiversity risks are usually experienced locally, we also conducted a biodiversity assessment considering the proximity of the locations of selected Tier 1 and Tier 2 suppliers (preliminary assessments) and our own operations in 2025 to biodiversity-sensitive areas by using the Integrated Biodiversity Assessment Tool (IBAT) from BirdLife International. The input variables were the location of the site (latitude/longitude), activities at the site (e.g., administrative office, distribution center), and a proximity buffer according to the economic activities conducted at each location. Moreover, two types of aggregated biodiversity-sensitive areas were used: Protected Areas (PAs) and Key Biodiversity Areas (KBAs), as defined by the IUCN (International Union for Conservation of Nature and Natural Resources) and BirdLife International, respectively.³⁶

Our biodiversity dependencies and impacts analysis as well as our climate and biodiversity risk analysis applied the same time horizons as defined in our enterprise risk management system: short-term (one year), medium-term (two to five years), long-term (over six years). The biodiversity proximity impact assessment considered a short-term time horizon (one year).

Stakeholders involved

Internal stakeholders from different departments (e.g., Enterprise Risk Management, Workplaces, Sustainability and ESG, Investor Relations, Product Development & Sourcing) were formally involved when assessing the resilience of our business model with respect to climate and biodiversity risks. Moreover, our internal experts are in regular contact with external stakeholders in more informal settings (such as conferences, meetings, and working groups), and their views are therefore indirectly considered in our internal assessments. These external stakeholders include organizations such as the World Wide Fund for Nature (WWF), Canopy Planet, Textile Exchange, Organic Cotton Accelerator (OCA), and the Leather Working

³⁶ PAs can be national parks and equivalent reserves, recognizing they are valuable for economic and scientific reasons and as areas for the future preservation of fauna and flora and geologic structures in their natural state. KBAs are sites that contribute significantly to the global persistence of biodiversity (in terrestrial, freshwater, and marine ecosystems) and that meet one or more of eleven criteria, clustered into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and irreplaceability.

Group (LWG), as well as other companies in the same value chain, peers, and local farmers (from Brazil, Australia, Vietnam, the US, Pakistan, and Turkey).

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Biodiversity and ecosystems and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Climate change	Negative impact	Actual	n.a.	Upstream	Climate change effects negatively impact biodiversity and ecosystem services. Our total GHG emissions (disclosed under ESRS E1 Climate change) contribute to this effect.
Land-use change; freshwater-use and sea-use change	Negative impact	Actual	n.a.	Upstream	adidas' increased use of nature-derived materials or the use of non-certified materials leads, in severe cases, to land-use changes (e.g., through deforestation and/or poorly managed agriculture practices).
Land-use change; freshwater-use and sea-use change	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to land-use change could be related to: — Increased operational costs, potential fines for non-compliance, and inability to sell in specific markets, due to the need of an end-to-end traceability system to comply with upcoming regulations. — Reputational risks if adidas is associated with deforestation claims.
Impacts on the extent and condition of ecosystems	Negative impact	Actual	n.a.	Upstream	Conventional agriculture practices cause land-use change and degradation, if not carried out in an environmentally responsible manner. This, in turn, negatively impacts certain ecosystems by reducing their species in size and diversity and exhausting soil and water resources.
Impacts and dependencies on ecosystem services	Negative impact	Actual	n.a.	Upstream	Land-use change and conventional agriculture practices, if not carried out in an environmentally responsible manner, negatively impacts ecosystem services and also local communities. With regard to adidas' dependency on ecosystem services, it goes beyond resource use and also includes water supply for our supply chain processes and availability of renewable energy for our suppliers.
Impacts and dependencies on ecosystem services	Risk	n.a.	Long-term	Upstream	For adidas, risks related to the impact and dependencies on ecosystem services could be related to: — Increased costs and/or unavailability of raw materials (especially nature-derived materials). — Increased costs or unavailability of water for production processes (e.g., dyeing and tanning).

In 2025, our biodiversity proximity impact assessment did not identify material biodiversity impacts and risks related to our own operations (covering owned and leased offices and distribution centers under our operational control). The proximity assessment identified nine sites (covering an area of 56.6 ha) that are in or near biodiversity-sensitive areas. The same result was obtained in 2024. Due to their location, national context, nature of business activity, and environmental management practices already in place as part of the Integrated Management System, the potential impact of the activities at the sites do not materially affect the area as they will not result in the deterioration of natural habitats and habitats of species, nor will they disturb species for which a protected area has been designated. Moreover, adidas has no direct operations that affect threatened species, including flora and fauna listed in the European Red List of Threatened Species or the IUCN (International Union for Conservation of Nature and Natural Resources) Red List of Threatened Species.³⁷ In our 2025 assessment, we did not identify any negative impacts on soil biodiversity from our own operations, aside from those already associated with the initial construction of office buildings and distribution centers. Furthermore, there were no changes in the locations of our operational sites compared to the previous year, indicating that our activities have not introduced new risks to soil health or local ecosystems. We remain committed to ongoing monitoring to ensure that our operations continue to avoid contributing to soil degradation or loss of biodiversity. Due to the complexity of the activities conducted by our suppliers, the Tier 1 and Tier 2 suppliers' biodiversity proximity impact assessments will be further analyzed and combined with the water risk assessment at a later stage.

³⁷ ► [IUCNREDLIST.ORG](https://www.iucnredlist.org)

Impact, risk and opportunity management

E4-2 – Policies related to biodiversity and ecosystems

E4-2 – Policies related to biodiversity and ecosystems

Policies ^{1, 2}	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Biodiversity and Ecosystems Policy (CC, LFSC, IECE, IDES) (S, P, C)	Describes our approach to biodiversity and the way to achieve deforestation- and conversion-free supply chains by 2030 or earlier, including human rights and inputs for biodiversity assessments. It addresses our IROs and indicates adidas' targets for biodiversity	Upstream and own operations	SVP Sustainability and ESG	Kunming-Montreal Global Biodiversity Framework, Accountability Framework Initiative (AFI), SBTi and SBTN, UN Declaration on the Rights of Indigenous Peoples, ILO Convention No. 169 (Indigenous and Tribal Peoples Convention) UN Guiding Principles on Business and Human Rights	External stakeholders (NGOs), legislation, and internal stakeholders	Accessible on corporate website
Policy for the Control and Monitoring of Hazardous Substances (A01) (IECE, IDES) (S, P)	Prohibits the use of chemicals considered harmful or toxic and includes the restrictions of using animal-derived materials, such as the exclusion of sourcing or processing any raw materials from endangered or threatened species	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	External stakeholders (NGOs), legislation, and consumer expectations	Accessible on corporate website
Standards on animal-derived materials (IECE, IDES) (S, P, C)	Sets the requirements for sourcing of animal-derived materials and rules out sourcing of endangered or threatened species	Upstream	SVP Sustainability and ESG	World Organization for Animal Health, IUCN, Leather Working Group, Materials Matter Standards (Textile Exchange)	n.a.	Accessible on corporate website
Responsibly Sourced Synthetics SOP (CC, LFSC, IECE, IDES) (S, C)	Describes procurement expectations as well as practices for assessing bio-based synthetics in terms of environmental and social impacts, restricting certain commodities associated with high-risk of deforestation in their supply chain	Upstream	SVP Product Development & Sourcing	Textile Exchange standards: Reference the seven high-risk commodities defined by WRI Global Forest Review and WWF Deforestation Fronts	n.a.	Directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:

CC – Climate Change

LFSC – Land-use change; freshwater-use and sea-use change

IECE – Impact on the extent and condition of ecosystems

IDES – Impacts and dependencies on ecosystem services

2 Topics addressed by policies and guidelines are abbreviated as follows:

S – Sourcing from ecosystems that are managed to maintain conditions for biodiversity

P – Production in ecosystems that are managed to maintain conditions for biodiversity

C – Consumption from ecosystems that are managed to maintain conditions for biodiversity

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Nature Strategy and Biodiversity and Ecosystems Policy

adidas' Nature Strategy outlines our commitment to achieving deforestation- and conversion-free (DCF) supply chains by 2030 or earlier, integrating human rights considerations and aligning with our decarbonization goals. The strategy focuses on our upstream supply chain, particularly sourcing materials with deforestation risks – such as leather, natural rubber, and timber – while also targeting compliance and the reduction of indirect carbon emissions from land use.

In 2025, we launched the adidas Biodiversity and Ecosystems Policy³⁸ to embed this strategy across our operations and supply chain. The policy formalizes our DCF targets and actions to address our most significant impacts, risks, and opportunities (IROs) related to climate change, land-use change, ecosystem health, and ecosystem services. It serves as an umbrella for functional policies and standard operating procedures (SOPs) that guide biodiversity-related measures throughout the organization, applying to all adidas sites, including those in or near biodiversity-sensitive areas. Following its launch, we initiated the biodiversity policy implementation phase, engaging all relevant functions to co-create action plans aligned with policy objectives. By publicly stating our commitments, we reinforce our dedication to collaboration and innovation in the areas of our supply chain where pressures on nature are greatest. We believe that this policy, in conjunction with our broader strategy, will help us address key biodiversity dependencies and pressures in our supply chain.

Policy for the Control and Monitoring of Hazardous Substances

Our A-01 Policy for the Control and Monitoring of Hazardous Substances prohibits the use of harmful or toxic chemicals in production and restricts the use of animal-derived materials from endangered or threatened species, as defined by the IUCN Red List. This policy further supports our efforts to protect ecosystems and species.

Standards on animal-derived materials³⁹

adidas is committed to sourcing animal-derived materials in a humane, ethical, and sustainable manner, prioritizing animal welfare and species conservation. Our standards on animal-derived materials prohibit the use or processing of certain materials and set minimum requirements for material sourcing. By prioritizing certified materials, we promote sustainable land and agricultural practices, protect pasture landscapes, and mitigate negative impacts from land-use change. These standards are operationalized through SOPs detailing certification, traceability, and responsible sourcing requirements.

Responsibly Sourced Synthetics SOP

To reduce dependence on fossil fuel-based resources, adidas is moving away from virgin fossil-based materials in favor of recycled or renewable alternatives, such as bio-based feedstocks. This transition helps conserve finite resources, lower our carbon footprint, and reduce pressure on nature. More details on sustainably sourced renewable materials⁴⁰ are provided in ESRS E5 – Resource use and circular economy. In plastics and synthetic production, bio-based feedstocks can substitute certain chemical building blocks traditionally sourced from fossil fuels. Before integrating bio-based feedstocks into our material portfolio, we conduct a comprehensive impact assessment using multi-factor analysis. Feedstocks linked to deforestation are either excluded or require certification to ensure responsible forestry and land management. Additionally, all feedstocks are evaluated based on sourcing origin, environmental impact drivers, and potential social and human rights risks. These requirements are embedded in our Biodiversity and Ecosystems Policy and operationalized through the Responsibly Sourced Synthetics SOP.

► SEE ESRS E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

³⁸ ► [ADIDAS-GROUP.COM/SUSTAINABILITY](https://www.adidas-group.com/sustainability)

³⁹ ► [ADIDAS-GROUP.COM/SUSTAINABILITY](https://www.adidas-group.com/sustainability)

⁴⁰ Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

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Additional considerations

- Traceability and ecosystem impacts: Traceability is central to understanding and addressing our biodiversity IROs. By increasing traceability of materials, adidas can better assess and mitigate local impacts on ecosystems and ecosystem services and engage collectively in solutions that decrease pressure on nature. Traceability expectations are outlined in our Biodiversity and Ecosystems Policy and related SOPs.
- Human rights considerations: adidas upholds internationally recognized human rights throughout its operations and value chain. Our Biodiversity and Ecosystems Policy explicitly incorporates human rights and livelihoods, with cross-references to our Human Rights Policy, recognizing the interlink between environmental and social risks and ensuring that our approach to biodiversity also addresses human rights considerations across the value chain.
 - ▶ SEE ESRS S2 – WORKERS IN THE VALUE CHAIN ▶ SEE ESRS S3 – AFFECTED COMMUNITIES
- Other policies: Our approach to biodiversity is supported by policies on climate change, pollution, water and marine resources and resource use and circular economy. For example, our climate strategy promotes alternative materials and processes that address land-use change, while our adidas Environmental Guidelines minimize pollution and safeguard habitats. These integrated policies support a holistic approach to reducing pressures on biodiversity and align with international frameworks such as the Kunming-Montreal Global Biodiversity Framework and Science Based Targets Network (SBTN). The policies can be found in the respective topical standards.
 - ▶ SEE ESRS E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION
 - ▶ SEE ESRS E2-1 – POLICIES RELATED TO POLLUTION
 - ▶ SEE ESRS E3-1 – POLICIES RELATED TO WATER AND MARINE RESOURCES
 - ▶ SEE ESRS E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E4-3 – Actions and resources related to biodiversity and ecosystems

Due to the complex supply chain structures in our industry, a key focus of our actions is to understand the origin and the respective biodiversity impact of the raw materials we use. Therefore, in 2025, we continued to focus on enhancing transparency and traceability of materials by mapping upstream value chains of key materials and by actively contributing to the development of industry-wide solutions for material traceability through our participation in several working groups. The highest priority was given to materials associated with a man-made deforestation risk (which for us are leather, natural rubber, and timber-derived materials), followed by cotton as the largest nature-derived material used in our portfolio. We also established the Biodiversity and Ecosystems Policy, along with standard operating procedures (SOPs), to facilitate the implementation of our Nature Strategy.

adidas recognizes the importance of Indigenous Peoples' and local communities' (IPLC) rights and knowledge in effective biodiversity management. While we did not engage directly with IPLCs in 2025, their perspectives are incorporated indirectly through our adherence to internationally recognized standards and certifications – such as the FSC, Better Cotton Initiative (BCI), and Organic Cotton Accelerator –, which include criteria for respecting indigenous rights, land tenure, and the integration of local knowledge into sustainable land management and sourcing practices. In 2025, adidas did not focus on direct nature-based solutions. Biodiversity offsets are not currently part of our short- or mid-term action plans, as our strategy prioritizes prevention, responsible sourcing, and avoiding negative impacts.

Overall, the actions stated below contribute to achieving our targets and tackling all of our material IROs in the field of biodiversity and ecosystem by individually addressing one or more of the identified material IROs. For the coordination and monitoring of actions, we rely on internal resources (mainly from the Sustainability and ESG Team). Unless explicitly stated otherwise, all actions are ongoing.

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In the reporting year, adidas carried out the following actions related to biodiversity:

- **Biodiversity and Ecosystems Policy** development and implementation: In June 2025, adidas launched its Biodiversity and Ecosystems Policy, formalizing our commitments and expectations to address the company's impacts on nature, supporting our target to eliminate deforestation and ecosystem conversion from our supply chain. The policy includes the feedback from the stakeholder dialogue held in 2024 with selected external stakeholders. Examples of the feedback received and included was: integration of specific wording on reduction of virgin resources and reference to restoration plans linked to adidas business operations. The Biodiversity and Ecosystems Policy implementation phase began in the second half of 2025, involving all relevant functions across the business. As part of this, Standard Operating Procedures (SOPs) for nature-derived materials were created, and functions started to embed the policy in their business, co-creating strategies to achieve adidas biodiversity targets.
▶ [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES](https://adidas-group.com/sustainability/policies) ▶ [ADIDAS-GROUP.COM/SUSTAINABILITY/PLANET](https://adidas-group.com/sustainability/planet)
- **Leather:** In 2025, our actions on leather were guided by three main objectives under the Biodiversity and Ecosystems Policy: increasing supply chain transparency, strengthening industry collaboration, and raising supplier awareness. To enhance transparency, we conducted a new comprehensive supply chain mapping for all leather suppliers we worked with in 2025, aiming to trace raw material origins up to the slaughterhouse and, where possible, to the farm level. In this mapping exercise, with support of our suppliers, we were able to increase our understanding of our upstream supply chain. This mapping supports our goal of achieving deforestation- and conversion-free (DCF) bovine leather supply chains by 2030 or earlier. We also engaged with indirect suppliers and cross-industry partners to explore certification and due diligence solutions for deforestation-free sourcing. adidas actively contributed to industry working groups, including Textile Exchange's Deforestation-free Call to Action for Leather initiative and the Leather Working Group's Chain of Custody task team, to advance the development of standards for traceability and deforestation-free protocols. Additionally, we participated in a pilot for the Global Traceability Framework for Beef and Leather to help develop robust data standards. To build awareness, we communicated our DCF targets to suppliers through a formal communication, dedicated meetings and workshops. As part of the policy implementation, we finalized our Responsible Leather SOP, translating DCF commitments into actionable sourcing requirements for our suppliers. Following the decision taken in 2024, adidas stopped purchasing kangaroo leather and ended manufacturing products with this material in 2025.
- **Endangered or threatened species:** In 2025, adidas continued its commitment not to source or process any raw materials from endangered or threatened species. This was emphasized through our policies and creation guidelines for our products as well as through active engagement with our development teams on this topic. This supports biodiversity by protecting vulnerable species, based on the IUCN Red List, and helps prevent negative impacts in the upstream part of our value chain. This action applies to all materials sourced by adidas and aligns with our Biodiversity and Ecosystems Policy, our Policy for the Control and Monitoring of Hazardous Substances (A-01) and the Global Biodiversity Framework (GBF), addressing ecosystem dependencies and risks.
- **Natural rubber:** In 2025, we conducted a more comprehensive supply chain mapping for our natural rubber suppliers we worked with in 2025, aiming to enhance transparency to understand possible impacts and risks related to deforestation that may be present in this supply chain. This more comprehensive exercise was led by the Traceability team, and, in contrast to the previous exercise, responses were obtained from Tier 4+ in this supply chain in 2025. This mapping directly supports the implementation of our Biodiversity and Ecosystems Policy and Nature Strategy. Another implementation step conducted in 2025 was the translation of adidas' expectations into actionable steps to our suppliers by developing the Natural Rubber SOP. Communications about our deforestation- and conversion-free (DCF) targets to suppliers were conducted through trainings and specific meetings.

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Additionally, adidas actively participated in the Natural Rubber Round Table hosted by FSC (Forest Stewardship Council), fostering dialogue among stakeholders including tappers and their representatives to address challenges and promote a more equitable, DCF supply chain.

- **Timber-derived materials** – specifically man-made cellulosic fibers (MMCFs) and paper packaging: To steer our journey toward deforestation-free MMCFs and paper packaging (covering our total volume globally), adidas joined CanopyStyle and Pack4Good in 2023, two initiatives from Canopy Planet setting the framework for good sourcing practices to protect ancient and endangered forests. These requirements were included in our Biodiversity and Ecosystems Policy. In collaboration with Canopy Planet, adidas has embarked on a supply chain mapping exercise for MMCFs as part of our deforestation-free supply chain targets, linked to our biodiversity strategy. We identified the Tier 4 suppliers (fiber producers) our suppliers source from, and we will continue to monitor risks and progress toward our DCF 2030 targets. Through the MMCF SOP launched in 2025, we specified the criteria for sourcing MMCF that includes only suppliers classified as ‘Dark Green’ in the Canopy Hot Button Report⁴¹ and using certified raw materials. This will assist in achieving our targets related to biodiversity but also encourage the use of more environmentally friendly chemicals in manufacturing processes – aligned with ZDHC parameters and our expectations shared in ESRS E2 – Pollution. For paper packaging, many internal teams were once again consulted to better understand the volumes sourced, certifications used, and country of origin of the material. In 2025, a cross-functional taskforce was created to address challenges related to our deforestation and conversion commitments and future regulatory requirements. A strategy to assess baseline and develop targeted action plans was shared. While our distribution centers continue to optimize packaging sizes to minimize the consumption of packaging material and improve transportation efficiency, adidas already included criteria related to the Biodiversity and Ecosystems Policy into the new Request for Quotation (RFQ) for sourcing of packaging.
- **Cotton:** Since 2018, adidas has solely sourced third-party certified cotton (organic, recycled, and other cotton standards). Most of the cotton in our portfolio is sourced through BCI, a program which uses a mass balance approach and therefore is not traceable to the country of origin. Our measures in 2025 revolved around gaining more transparency on the country of origin through the supply chain mapping exercise targeting the relevant upstream supply chain globally and diversifying our cotton portfolio in order to ultimately have a verified country of origin for all cotton we source. Additionally, after signing up for Traceable Better Cotton, aiming to start sourcing product-segregated cotton from BCI with traceability up to the country of origin, we communicated our plans to our suppliers to solidify our commitment. We also partner with the US Cotton Trust Protocol, which provides a chain of custody to the country of origin for cotton. Finally, we developed our Responsibly Sourced Cotton SOP, which formalizes adidas’ guidance on cotton sourcing and traceability. These actions are in line with our target to source 100% certified cotton and the objectives of the newly developed Responsibly Sourced Cotton SOP.
- **Innovation:** We continuously explore innovative solutions that can replace current natural materials and may reduce pressures on land and ecosystems, in alignment with the direction provided by our Biodiversity and Ecosystems Policy. Scouting and piloting is done by our own innovation team as well as through Fashion for Good (FFG), a multi-stakeholder platform for sustainable innovation in the fashion industry. Our focus in 2025 was the exploration of new man-made cellulosic fibers that can replace conventional viscose.

▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

⁴¹ ▶ [CANOPYPLANET.ORG](https://canopyplanet.org)

— **Collaboration and advocacy for nature:** During 2025, we continued to contribute to several working groups from Textile Exchange, BCI, and Leather Working Group, with the goal of generating knowledge and ultimately creating industry standards to reduce impacts of raw materials and processes on biodiversity, for example through improved agricultural practices. As a member of Textile Exchange’s Regenerative Agriculture Outcome Framework working group, we contributed to the creation of a cross-industry basket of indicators for regenerative agriculture and their piloting, which was updated in 2025.⁴² We are also an active member of the Fashion Pact Unlock Project, which tests the carbon accounting and other environmental benefits of cotton, and Textile Exchange’s Leather, Cotton, Biosynthetics, and Manmade Cellulosic Round Tables. These groups focus on advancing important topics in the sector, such as improving traceability and developing environmental impact analyses and guidance for the industry. In 2025, adidas joined leading voices at Climate Week NYC, participating in the Science Based Targets Network (SBTN) event focused on corporate sustainability. Business leaders came together to discuss why investing in nature is critical for achieving science-based targets and ensuring long-term business resilience. Through the participation of adidas’ SVP Sustainability and ESG in the panel discussion, adidas publicly reinforced its commitment to stepping up for nature, highlighting how protecting ecosystems is integral to its sustainability vision and future-proofing of the business. This activity followed the expectations shared in our Biodiversity and Ecosystems Policy and its implementation, where adidas aims to support industry transformation through collaboration.

— **Laying the Foundation for Science-Based Nature Targets:** In 2025, adidas completed Steps 1 and 2 of the Science-Based Targets for Nature process, which were submitted for external validation according to the official framework processes. Step 1 involved conducting a materiality assessment to identify key areas where our own operations and value chain interact with nature. In Step 2, we performed a scoping exercise to prioritize locations and environmental pressures for target-setting, focusing on freshwater and land systems.

▶ SEE ESRS E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Further measures to reduce negative impacts on biodiversity and ecosystems related to climate change, pollution, water or resource use are described in detail in the relevant chapters, respectively:

- ▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES
- ▶ SEE ESRS E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION
- ▶ SEE ESRS E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES
- ▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Metrics and targets

E4-4 - Targets related to biodiversity and ecosystems

The targets described below support the implementation of our Nature Strategy, are embedded in our policies, and reflect adidas’ commitment to address all material impacts, risks and opportunities (IROs).

Deforestation- and conversion-free (DCF) supply chains for high-risk commodities by 2030

adidas aims to have deforestation- and conversion-free (DCF) supply chains for all high-risk commodities used in our products – specifically bovine leather, natural rubber, and timber – by 2030. This global target, which excludes recycled leather and leather trims, is formalized in our Biodiversity and Ecosystems Policy and related documentation. The target and its associated metrics are based on leading external frameworks, including the Accountability Framework, and are informed by the EU Deforestation Regulation (EUDR), the EU Biodiversity Strategy for 2030, as well as research from the World Resources Institute’s Global Forest Review and WWF’s Deforestation Fronts.

⁴² ▶ [TEXTILEEXCHANGE.ORG](https://www.textileexchange.org)

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By focusing on eliminating deforestation and conversion from our supply chain, we support the objectives of the Paris Agreement and align with the Kunming-Montreal Global Biodiversity Framework (GBF), contributing to the protection of species and their habitats. We continuously monitor our performance by tracking sourcing volumes, country of origin, and enhancing due diligence for suppliers in high-risk areas. Currently, we obtain information about leather volumes by country of origin from our leather suppliers through self-declaration. This information is then passed through a country deforestation-risk assessment carried out by the Sustainability and ESG team. This DCF target addresses material impacts on biodiversity and ecosystems, including those related to climate change, land-use change, and ecosystem services. Additionally, it mitigates risks associated with rising raw material costs, regulatory non-compliance, and potential increases in operational costs.

100% third-party certified wool

This target supports biodiversity by promoting responsible land management practices in our upstream supply chain, primarily through adherence to recognized certification standards. It is aligned with the Kunming-Montreal GBF expectations and is reflected in Standards for animal-derived materials. By implementing this target, adidas aims to mitigate negative impacts from land-use change, address dependencies on ecosystem services, and manage risks related to the availability and cost of raw materials. As a global commitment, the target applies to all wool sourced by adidas, excluding recycled wool. Progress is assessed annually by calculating the percentage of third-party certified wool sourced, based on primary data, without reference to a base year. In 2025, adidas sourced 100% (2024: 100%) certified wool, fully achieving the target and maintaining consistent performance compared to the previous year.

100% third-party certified cotton

Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton, such as cotton from the Better Cotton Initiative (BCI) and the US Cotton Trust Protocol. This global target covers the entire volume of cotton used in our products and is tracked annually through robust supply chain management processes. This target follows the expectations of the Kunming-Montreal GBF. Our commitment to sustainable cotton sourcing directly supports our Nature Strategy, Biodiversity and Ecosystems Policy, as well as our decarbonization goals. It also aligns with our broader ambition to reduce environmental impacts related to resource inflows, by promoting responsible agricultural practices, reducing pesticide and water use, and supporting farmer livelihoods.

▶ SEE ESRS E1 – CLIMATE CHANGE ▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

This target is embedded in our Standard Operating Procedures (SOPs) and forms a key component of our materials roadmap, which guides our transition to sustainably sourced renewable materials. By prioritizing the use of virgin or recycled cotton that is certified and traceable, we aim to minimize land-use change, protect ecosystem services, and contribute to circular economy principles. Progress toward this target is monitored annually, and performance data for 2025 can be found in ESRS E5 – Resource Use and Circular Economy. This approach not only advances our sustainability objectives but also helps mitigate risks related to raw material availability, regulatory compliance, and reputational impact.

▶ SEE ESRS E5-4 – RESOURCE INFLOWS

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Basis for target setting: scientific evidence, frameworks, and stakeholder involvement

Our current targets were established based on best industry practices and recognized external frameworks, which are underpinned by conclusive scientific evidence regarding the impacts of material sourcing on biodiversity and ecosystems. In setting these targets, we have reviewed relevant scientific literature and guidance, such as those referenced in the Accountability Framework and the EU Biodiversity Strategy for 2030, to ensure alignment with the latest research and regulatory expectations. No ecological thresholds or allocation of impacts were applied, and no offsets were considered in the target-setting process. All three targets are global in scope, focusing on adidas' upstream value chain and its most significant nature-derived materials, as previously outlined. Each target is allocated to the avoidance layer of the mitigation hierarchy, prioritizing the prevention of negative impacts at the source.

Stakeholder engagement was an integral part of our target-setting process. We consulted with key internal and external stakeholders, including suppliers, industry experts, and NGOs, to ensure that our targets are both ambitious and practical, and that they reflect the expectations of our broader stakeholder community. In addition to these core targets, further objectives related to biodiversity and ecosystems have been developed as part of our climate strategy, water management, and resource use approaches. These additional targets contribute to reducing negative impacts on biodiversity and ecosystems and are described in detail in the target sections of the following chapters:

▶ SEE ESRS E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION ▶ SEE ESRS E3-3 – TARGETS RELATED TO WATER AND MARINE RESOURCES ▶ SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

ESRS E5

Resource Use and Circular Economy

The apparel and footwear industry uses significant amounts of resources. The consumption of finite resources, and the intensive manufacturing processes negatively affect the environment. Equally, resource outflow has negative impacts, including waste generation during production, and the disposal of products at end-of-life. The lack of industry-wide circular solutions for end-of-life leads to waste generation and highlights the need for systemic change. To mitigate such impacts and risks, adidas applies criteria for responsible sourcing, follows product creation guidelines which mandate the use of recycled and sustainably sourced renewable materials¹, and provides waste guidelines for upstream activities and own operations. Our circularity strategy provides a long-term vision and defines priorities for our actions and engagement.

Targets

To address the multifaceted challenges of resource use and the circular economy, we have defined specific targets to effectively steer these interconnected topics.

100%



third-party certified recycled polyester²
(achieved 99% since 2023)

This target applies to all polyester sourced for adidas products.

100%



third-party certified cotton
(achieved since 2018)

This target applies to all cotton sourced for adidas products.

Waste diversion

2025 result

95%

2025 target

98%



The target focused on having the waste from Tier 1 and Tier 2 suppliers diverted from landfills.

10%

of polyester to come from recycled textile waste by 2030

The first products with textile-to-textile recycled polyester are planned for 2026.

¹ Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.
² Where technically possible.

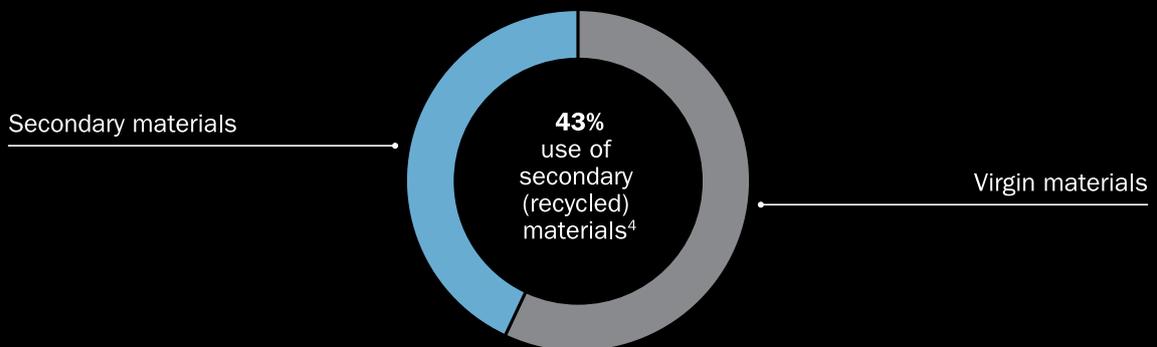
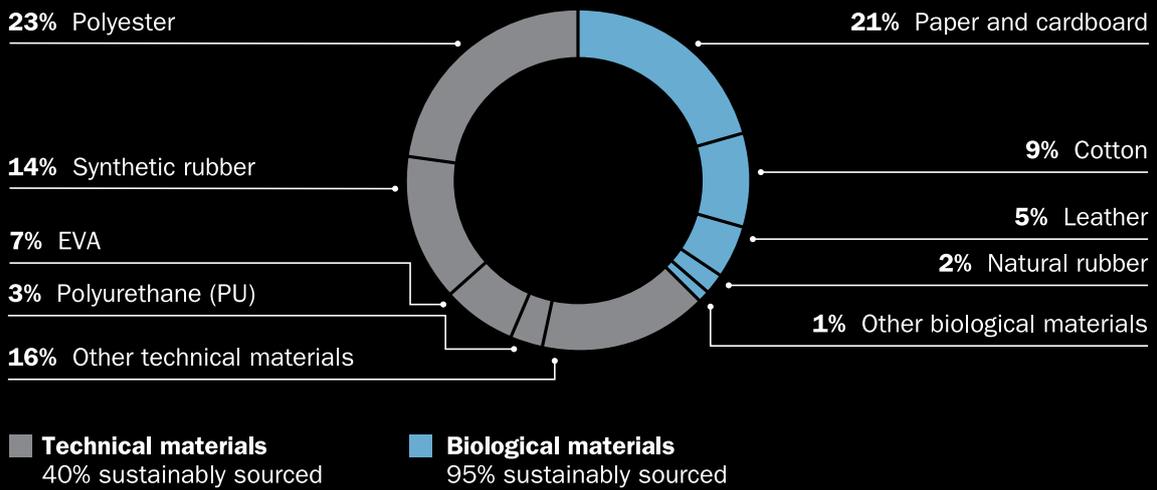
Key actions and metrics

Our key actions

In 2025, adidas advanced its circularity agenda through three key actions that delivered strategic and industry-wide impact:

- Published internal Circularity Position Paper to guide circular practices in our value chain
- Upskilled suppliers on textile waste segregation through a multi-stakeholder program
- Led multi stakeholder initiatives (e.g., T-REX) to steer systemic change in the industry

Materials used in adidas' products and packaging in 2025³



³ Our product portfolio includes apparel, footwear, as well as accessories. For further details, refer to the following section in E5-4: Explanatory notes to our reported material use data.

⁴ This number is partly derived from primary data and partly based on LCA data.

ESRS 2 – General disclosures

IRO-1 – Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 – Resource use and circular economy and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Resource inflows	Negative impact	Actual	n.a.	Upstream	The apparel and footwear industry is heavily dependent on the use of resources, both renewable and non-renewable, which leads to adverse environmental impacts.
Resource inflows	Risk	n.a.	Mid-term	Upstream	For adidas, the risk with regard to resource inflows could be related to: — Potentially higher costs and/or unavailability of materials. — Upcoming regulations like ESPR (Ecodesign for Sustainable Products Regulation), which may require the use of materials (i.e., high-recycled content) that could become scarce.
Resource outflows	Negative impact	Actual	n.a.	Downstream	Currently, the lack of a circular economy ecosystem and infrastructure in the apparel and footwear industry means that most products have no circular end-of-life solution and end up as waste.
Resource outflows	Risk	n.a.	Long-term	Upstream, downstream	For adidas, the risks with regard to resource outflows could be related to: — High uncertainty in the regulatory developments in different countries. — Potentially inconsistent approaches to circular product definition and related infrastructure (e.g., sorting and recycling infrastructure), which could lead to operational challenges for a globally operating company such as adidas (e.g., when defining circular product design guidelines). — Cost of establishing a circular infrastructure for apparel and footwear is to be partly paid for by brands (e.g., upcoming Extended Producer Responsibility (EPR) legislation in several countries).
Waste	Risk	n.a.	Mid-term	Upstream	For adidas, waste related risks could be related to: — Potentially higher operational costs for our suppliers, as stricter waste management requirements are imposed on them (e.g., the need for improved processes for waste separation, handling, transportation, disposal, and/or treatment).

Impact, risk and opportunity management

E5-1 – Policies related to resource use and circular economy

adidas governs resource use and circular economy through policies, guidelines, and standard operating procedures (SOPs) across the entire value chain. These policies anchor our strategy in the business and ensure we steer the organization toward a lower impact on the environment. Our key resource inflows are regulated by material-specific SOPs and by product creation guidelines. Our key priority is to reduce our dependency on virgin fossil-based materials by increasing the share of recycled and sustainably sourced renewable materials.⁴³ Resource outflows and waste are also covered by several policies and guidelines implemented by our manufacturing partners (as most impacts occur upstream). However, guidance on circular product design and product end of life is still under development. This is due to a lack of technologies and infrastructure that can effectively sort, pre-process, and recycle different types of products at scale. Therefore, we are currently focusing our work in the field of circularity on understanding the full ecosystem needed to enable a transition from a linear to a circular value chain.

► SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

⁴³ Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

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E5-1 – Policies related to resource use and circular economy

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Circularity Position Paper (RI, RO, W)	Provides a long-term vision and framework and sets priorities for engagement.	Entire value chain	SVP Sustainability and ESG	UNEP and Ellen MacArthur Foundation	n.a.	Available for all employees
Sustainable Ingredient Definition SOP (RI)	Sets the framework for sustainable ingredients for adidas products, detailing the lifecycle and roles and responsibilities.	Entire value chain	SVP Product Development & Sourcing	Preferred Fiber and Materials Matrix from Textile Exchange	n.a.	Available for all employees
Responsibly Sourced Materials SOPs (RI)	Includes multiple SOPs for Synthetics, Natural Rubber, Cotton, Man-made Cellulosic Fibers, and Animal Derived Materials. States the intention to use recycled and responsibly sourced materials where technically possible, sets certification requirements and governance framework	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Textile Exchange standards: Global Recycling Standard, Recycled Content Standard, Forest Stewardship Council, Better Cotton. Global Organic Textile Standard, Organic Content Standards, and US Cotton Trust Protocol	n.a.	Available for all employees
Standards on animal-derived materials (RI)	Sets the requirements for sourcing of animal-derived materials and rules out sourcing of endangered or threatened species	Upstream	SVP Sustainability and ESG	World Organization for Animal Health, IUCN, Leather Working Group, Materials Matter Standard (Textile Exchange)	n.a.	Accessible on corporate website
Environmental Guidelines (W)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes waste management	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	n.a.	adidas suppliers	Accessible on corporate website
Waste Management Guidelines (W)	Defines a waste management process to prevent pollution and depletion of natural resources; outlines connected goals and objectives; guide suppliers to select waste co-processing partners and waste-to-energy technologies to be compliant	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Reference the EU Waste Framework Directive	n.a.	Directly shared with suppliers

¹ Material matters addressed by policies and guidelines are abbreviated as follows:
 RI – Resource Inflows
 RO – Resource Outflows
 W – Waste

Going forward, we will continue to adapt, widen, and substantiate our approach to circularity and resource use. Our approach is based on science but it will also be influenced by emerging industry standards and regulatory requirements that are becoming more concrete, particularly within the EU and in relation to its EU Strategy for Sustainable and Circular Textiles. We expect these regulatory requirements to become clearer in the coming years, which will help eliminate some of the ambiguity within our industry and set a common baseline for every brand and market participant to adhere to.

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E5-2 – Actions and resources related to resource use and circular economy

Our actions regarding resource use and circular economy are in line with our Circularity Position Paper. We rely on internal resources (mainly from the Sustainability and ESG Team) to coordinate and monitor our actions. Topic owners and teams implementing the measures track their effectiveness. Unless explicitly stated otherwise, all actions are ongoing.

► SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Circularity strategy and resource use

In 2025, we launched our Circularity Position Paper, which outlines our updated strategy. It reflects our present status, the actions we are undertaking, and the direction we are heading. We recognize that both our internal capabilities and the external landscape, encompassing regulations, infrastructure, and consumer expectations, are evolving rapidly. Therefore, this paper is not static, but a living framework that will be evolved and strengthened as our circularity practices advance. We are convinced that sharing our position paper internally lays the groundwork for integrating circular practices throughout our value chain and steering our shift from a linear to a circular ecosystem.

Digital enablement: To ensure compliance with evolving regulations and to enable sustainable product development, we continued to invest in ESG regulatory readiness and traceability technology enablement efforts. These globally implemented digital solutions enhance transparency and accuracy in material and product data, supporting both internal decision-making and external reporting requirements.

Transition to recycled polyester: Polyester is the most widely used material in our materials portfolio. Therefore, transitioning to recycled polyester is a significant lever to lower our impact on resource use. By 2023, we had already reached 99% recycled polyester in our products, excluding trims. This brought us very close to our target of replacing all virgin polyester with recycled polyester, where technically feasible. Therefore, in 2024, we set ourselves a target aiming for 10% of our polyester volume to come from recycled textile waste by 2030, which reinforces our commitment to driving industry change. In 2025, we rolled out the adoption strategy to implement textile-to-textile recycled polyester in the seasons from 2026 onward.

Sourcing certified cotton: Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton. We are collaborating with key suppliers to increase the use of mechanically recycled cotton from our own post-industrial waste materials. Our Responsibly Sourced Cotton SOP, adopted in 2025, outlines our procurement expectations and evaluates environmental and social impacts.

► SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Continued use of recycled EVA and rubber: We continue to increase recycled content in EVA and rubber components, while investing in alternative materials to enhance performance. We specifically tested post-consumer rubber waste from France to validate if it reaches the performance criteria required for application in our products. We are committed to sourcing certified natural rubber that meets our standards, supported by our new Responsibly Sourced Natural Rubber SOP implemented in 2025.

► SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Animal-derived materials: These accounted for 5% of our total materials in 2025. All our leather, down and wool used for our products are certified through recognized standards listed above in the policy table.

► SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Innovation: We continue to explore innovative materials that reduce environmental impacts, with a particular emphasis on bio-based solutions and advancements in footwear materials through collaborative initiatives. Our commitment to footwear innovation has led us to join the Next Stride project with Fashion for Good (FFG) in 2025. This partnership aims to research bio-based solutions for our footwear soles, paving the way for a potential transition to renewable feedstock options for footwear materials.

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Circular economy

At adidas, we define circularity as maintaining the value of products and materials at the highest level for as long as possible. This definition aligns with that of the United Nations Environmental Program (UNEP), as outlined in their report, 'Sustainability and Circularity in the Textile Value Chain – A Global Roadmap.' By establishing clear guidelines and adapting to emerging regulations linked to the EU Strategy For Sustainable and Circular Textiles, we aim to promote circular practices in the sportswear industry to reduce environmental impacts and support long-term sustainability.

- **Quality and Durability:** As a sportswear company, product performance and quality are vital for our success. We continuously test apparel and footwear throughout development and production, aligning with ISO standards and using testing methods such as DIN, GB, ASTM, and SATRA. All products and materials undergo lab testing, and we validate performance with athletes. We also ensure consistent production quality by providing a framework for our partners and conducting annual audits for compliance.
- **Recyclability:** As part of the Made To Be Remade (MTBR) initiative, adidas has developed end-of-life solutions for a dedicated range of products, with the objective that once returned, the product components can be remade into something new. The first product was a running shoe called Futurecraft.Looped, which was launched in 2019, which then led to a broader MTBR collection by 2023. Based on the experiences from this initiative, we understand that effective circular services require collaboration across the value chain. Therefore, in 2025, we focused on supporting multi-stakeholder initiatives to create a circular ecosystem for the apparel and footwear industry, specifically the T-REX project, and industry research projects from FFG.

Circular ecosystem

We recognize that achieving a circular economy requires systemic change and collaboration across the industry. In 2025, we advanced several multi-stakeholder initiatives:

- **T-REX Project successfully completed:** T-REX is a publicly funded EU research project aimed at creating a blueprint for how household textile waste can be sorted and recycled in a closed loop across Europe. The three-year initiative, led and coordinated by adidas, brought together 13 key participants from the entire value chain. After its successful completion, the project generated insights that now shape our circularity strategy and industry advocacy. It revealed the urgent need for integrated pre-processing and automated sorting to improve recyclability and feedstock quality, as well as for refining chemical recycling technologies to match the quality of virgin materials. The project also produced clear, science-based technical guidelines for design to improve recyclability, focusing on using recyclable main materials and reducing parts that cause contamination. Finally, a techno-economic assessment underscored the need for stronger policies and investment into better infrastructure to scale textile-to-textile recycling across Europe. These findings inform adidas' ambition to drive systemic change in the industry. Looking ahead, adidas will continue to build on the insights from T-REX through future projects and collaborations and plans to work closely with industry stakeholders and the EU Commission to shape future regulations.
- Through our **partnership with the Fashion for Good** innovation platform, we are contributing to the development of frameworks and guidelines to advance circularity in the industry:
 - Enabling textile waste traceability through the **Tracing Textile Waste Project**, also co-led by Textile Exchange: A major challenge in scaling the use of textile waste for recycled content is the lack of traceability for certifications such as the Global Recycled Standard (GRS) and Recycled Content Standard (RCS). Currently, tracking textile waste is manual and fragmented, leading to difficulties in data consolidation and sharing. This issue is increasingly critical as brands and regulators demand transparency to ensure material authenticity. To standardize data collection and sharing across the

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supply chain by validating a new Reclaimed Material Declaration Form (RMDF), adidas participated in a project involving three pilots – two for post-industrial waste and one for pre-consumer waste. This effort led to the development and adoption of the RMDF for GRS and RCS certifications⁴⁴. adidas plans to utilize the RMDF for our recycled content materials in the future to verify the feedstock source and type.

- adidas participated in the **Closing the Footwear Loop project**, aimed at addressing systemic challenges to circularity in the footwear sector. The ongoing project focuses on overcoming barriers caused by fragmented and limited collection and recycling infrastructure in the EU as well as the absence of harmonized standards. We are convinced that by participating in this project, adidas has contributed to creating transparency around current post-consumer footwear sorting activities in the EU and developing industry insights from collaborative trials on end-of-life processes and impact assessment. The outcomes of this project inform adidas's approach to footwear circularity.
- The **ReWear project**, with adidas as a key partner, successfully concluded as a continuation of the Sorting for Circularity Europe initiative. This phase focused on the flows of rewearable textiles,⁴⁵ providing crucial insights into the industry's understanding of product pathways after consumer disposal. The project mapped the conditions and potential end destinations for rewearable textiles and analyzed the role of regulations and infrastructure in improving the flow of textiles into rewear value chains.
- The **BIOTEXFUTURE innovation space program**, funded by the German Federal Ministry of Research, Technology, and Space (BMFTR) and co-led by adidas AG and RWTH Aachen University, concluded in December 2025 after five years of exploring the shift from petroleum-based to bio-based textiles. By participating in ten projects, adidas contributed to the program's key material innovations: a high-performance bio-based polyamide (PA 4.10) with improved stretch and breathability, a PFAS-free water-repellent finish, and a bio-based insulation material with enhanced warmth-to-weight efficiency. These innovations are being tested in garments and on athletes and are expected to be integrated into future adidas product ranges.
- adidas is participating in the **Textile Loop pilot under CIRPASS-2**, led by Avery Dennison's atma.io platform, to advance the implementation of Digital Product Passports (DPPs) in its value chain. The pilot involves creating unique digital IDs for textile products, tracking them through downstream circular services for sorting and recycling, and enabling data exchange among all relevant stakeholders. For adidas, this engagement provides a framework for ensuring compliance with upcoming EU Ecodesign for Sustainable Products Regulation (ESPR), which includes Digital Product Passport (DPP) requirements to improve supply chain transparency, enhance the traceability of materials and product lifecycles, and enable more scalable circular business models.
- In 2025, adidas contributed to the development of the **Global Circularity Protocol for Business (GCP) Version 1, led by the World Business Council for Sustainable Development (WBCSD)**, as well as to the Circular Transition Indicators (CTI) for fashion. These initiatives aim to establish a science-based, cross-industry methodology for measuring, comparing, and disclosing progress on circular economy strategies. By participating alongside leading companies from multiple sectors, adidas helps shape a standardized framework that enables more consistent evaluation of material flows, circular business models, and resource efficiency. This engagement strengthens adidas's commitment to transparency and our belief that achieving circularity requires harmonized standards, a scientific approach, and collective action, and positions the company at the forefront of harmonized industry practice.

⁴⁴ ► [TEXTILEEXCHANGE.ORG](https://www.textileexchange.org).

⁴⁵ ► [REPORTS.FASHIONFORGOOD.COM](https://reports.fashionforgood.com).

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Circular services

At adidas, we are convinced that Circular Business Models (CBMs) strengthen consumer connections beyond sales, promoting product longevity and encouraging sustainable behaviors. We have learned from previous pilots, such as in-store sneaker cleaning, rental, and product take-back programs over the past decade, that a global approach to CBMs is not practical as consumer expectations and cultural attitudes vary by market. We are refining our approach to circular services to focus on impactful solutions that reduce waste and extend product life. These learnings are consolidated into an internal guidance document that we leverage to work with local teams to develop tailored solutions. This decentralized approach helps us remain relevant and ready to scale successful initiatives.

Supply chain waste management

Building on the progress achieved through our global waste reduction efforts, we have continued to advance waste disposal management across our supply chain since 2021. In 2025, we further strengthened our waste-handling process, including upskilling facilities to work with credible waste treatment vendors, collaborating with partners across industries to enhance waste segregation practices and improve data accuracy across various waste streams.

To advance circularity within our supply chain, we continued to review and implement our Waste Management Guideline, ensuring alignment with evolving industry expectations. We also expanded collaboration with partners in regions where waste management infrastructure is still developing. This includes our participation in the Circular Fashion Partnership (CFP) program, led by the Global Fashion Agenda, in Cambodia and Indonesia, which brings together brands, manufacturers, and recyclers to transform post-industrial textile waste into new recycled materials. This initiative aims to enhance textile waste management activities in supplier facilities, support proper waste segregation for the recycling process, and strengthen local recycling systems.

In 2025, we conducted an internal consultation with selected Tier 1 and Tier 2 suppliers based on their geographical locations to learn about the current gaps and challenges in transitioning from a linear to a circular waste management model. The insights and ideas gathered through these workshops have provided valuable input that has helped to shape our strategic roadmap toward 2030. Building on the learning from these workshops, we will continue our collaborative efforts with industry stakeholders to support the establishment of recycling systems for textiles.

Metrics and targets

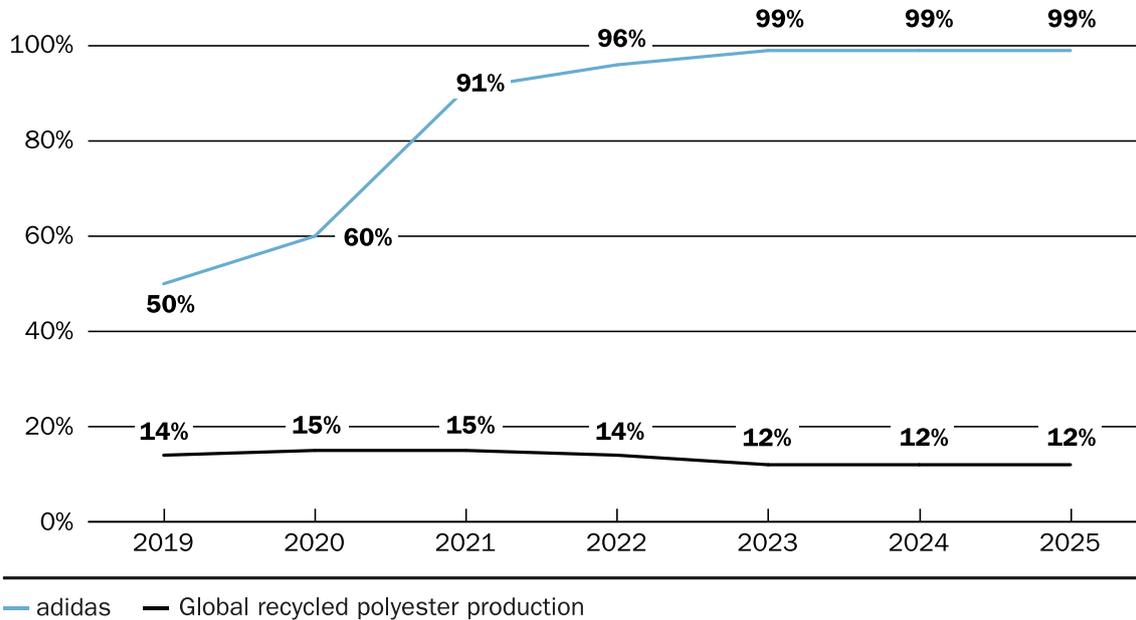
E5-3 – Targets related to resource use and circular economy

To address the multifaceted challenges of circular economy, resource use, and waste management, and to effectively steer our various efforts across these interconnected topics, we have defined specific targets related to these issues. For all targets set, we rely on scientific evidence and upcoming regulatory frameworks, such as the Ecodesign for Sustainable Products Regulation (ESPR), where they exist, and we are guided by the objectives outlined in our Circularity Position Paper. These targets are set by evaluating industry availability of resources and infrastructure that our suppliers have access to. The targets are then benchmarked against industry practices and validated during informal interactions with stakeholders.

- 10% of polyester to come from recycled textile waste by 2030: This target aims to increase closed-loop recycled polyester, shifting material usage from plastic bottles to textile waste as feedstock, minimizing the use of virgin raw materials, thereby enhancing our commitment to circularity. We are convinced that this initiative also positions us to meet anticipated regulatory requirements for responsible end-of-life management of our products. The first products with textile-to-textile recycled polyester are planned for 2026. The target applies to all polyester used in our products and aligns with the objectives of the Responsibly Sourced Material SOPs.
- Our target to use 100% recycled polyester wherever technically possible by the end of 2024 has been maintained moving forward for all polyester used in our products, ensuring we do not revert to using virgin polyester. With this commitment and achievement, our share of recycled polyester adoption has been exceeding the level of recycled polyester in global polyester production for several years⁴⁶ (see the graph below). The integrity of the recycled materials used is certified by recognized third-party certifications such as the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS). These certifications guarantee a robust chain of custody and minimize the risks of unauthorized mixing or swapping of materials. This target is specific to the increase of circular material use and the minimization of virgin raw materials, and is aligned with the objectives of the Responsibly Sourced Material SOPs.

⁴⁶ Source: Textile Exchange Materials Market Report 2025; 2025 value for global apparel industry is an estimate.

Recycled polyester share of total polyester use



– 100% third-party certified cotton: This target is aligned with the Sustainably Sourced Renewable Materials standards of Textile Exchange. Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton. The target covers the total volume of cotton sourced globally and is tracked on a yearly basis. In 2025 we met this target again. For detailed data on the 2025 performance, please refer to the Resource inflows section below. This target is specific to sustainable sourcing and use of renewable resources and is aligned with the objectives of the Responsibly Sourced Material SOPs.

– Deforestation and conversion free (DCF) bovine leather supply chain by 2030: This target is specific to sustainable sourcing and use of renewable resources, and is aligned with the objectives of the Standards on animal-derived materials.

▶ SEE ESRS E4-4 – TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

– 98% of waste from Tier 1 and Tier 2 suppliers diverted from landfills by 2025: This target is specific to waste management. It was set in 2021 based on industry benchmarks, and is aligned with our waste management guidelines and waste diversion program to assist our suppliers in enhancing waste segregation during manufacturing, reuse of non-hazardous waste, and focusing on recycling or waste-to-energy. Expanding the program globally resulted in a collective landfill diversion rate of 95% among enrolled suppliers in 2025. The slight change from last year’s 96% reflects the onboarding of new suppliers, which naturally adds complexity. Despite this, overall performance remains strong, and the program continues to scale effectively. This target refers to the recycling and waste-to-energy layers of the waste hierarchy, and is aligned with the objectives of the adidas Environmental Guidelines and Waste Management Guidelines.

As explained earlier, the circular ecosystem in the apparel and footwear industry is in the early stages of development. Industry average durability and recyclability metrics and standards are still under development. Product design guidelines for these important areas can only be provided, and targets related to resource outflows can only be set once such standards are in place, which are currently under

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discussion in different research and policy forums related to the EU Product Environmental Footprint Category Rules (PEFCR) and the Ecodesign for Sustainable Products Regulation (ESPR).

All of the above targets are voluntary and not mandated by law.

E5-4 - Resource inflows

We continued to increase the share of recycled and sustainably sourced renewable materials. In 2025, 60% of the materials used for our products and packaging were recycled or sustainably sourced renewable materials, contributing to our future ambitions and targets (2024: 56%).

Materials used in products: adidas' product portfolio includes apparel, footwear, as well as accessories. We outsource most of our production to independent manufacturing partners and do not purchase any significant amounts of materials or components of our products directly. We keep records of the materials used in our products in our systems. For this information, we rely on receiving accurate data from our suppliers.

Materials used in packaging: Products are packaged in the factory for protection, such as against humidity and dust. The packaging material is either paper-based (i.e., shoe boxes) or recycled low-density polyethylene (rLDPE) (i.e., polybags for apparel and some types of accessories). Additionally, paper-based transport packaging (i.e., cartons, corrugate) is used to ship products.

Our packaging is 97% paper-based (2024: 97%), with 85% made from recycled content (2024: 85%). Plastic packaging represents 3% of our packaging materials (2024: 3%), of which 98% is recycled LDPE (2024: 83%). Several of our distribution centers have started to implement reusable transport packaging and continue to reduce packaging volume by optimizing box sizes and the number of shipments. However, we are not yet able to report quantitative information on the impact these initiatives have on packaging reduction.

Other resource inflows: We currently still lack reliable data, except for water withdrawal during production processes, with more information available in the following section.

► SEE ESRS E3 - WATER AND MARINE RESOURCES

Materials used in adidas products and packaging in 2025¹

	2025		2024	
	Tonnes	% of total	Tonnes	% of total
Biological materials²				
Paper and cardboard	145,655	21%	128,174	22%
Cotton	64,505	9%	54,883	9%
Leather	31,304	5%	24,691	4%
Natural rubber	10,896	2%	9,373	2%
Other biological materials	3,876	1%	1,899	0%
Total biological materials	256,236	37%	219,020	37%
Thereof, sustainably sourced ³	242,544	95%	188,918	86%
Technical materials⁴				
Polyester	156,917	23%	130,365	22%
Synthetic rubber	98,098	14%	67,810	12%
EVA	51,751	7%	48,931	8%
Polyurethane (PU)	20,395	3%	24,478	4%
Other technical materials	107,049	16%	97,538	17%
Total technical materials	434,210	63%	369,122	63%
Thereof, sustainably sourced ⁵	173,114	40%	141,388	38%
Total materials inflows	690,446	100%	588,142	100%

1 Details are provided in the explanatory notes to our reported material use data.

2 Biological materials are materials derived from renewable biological sources of plant or animal origin, including both virgin and recycled materials.

3 The percentage of sustainably sourced materials represents the proportion relative to the total amount of biological materials. The definition of 'sustainably sourced biological materials' can be found in the description below the table.

4 Technical materials include virgin and recycled materials.

5 The percentage of sustainably sourced materials represents the proportion relative to the total amount of technical materials. The definition of 'sustainably sourced technical materials' can be found in the description below the table.

For the definition of sustainably sourced materials, the cascading principle has been applied. In addition, we use the following certifications for sustainably sourced materials:

– For biological materials:

- For cotton: Better Cotton (mass balanced), US Cotton Trust Protocol, Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS)
- For leather: Leather Working Group (LWG)
- For wool: Responsible Wool Standard (RWS)
- For down: Responsible Down Standard (RDS)

– For technical materials:

- Global Recycled Standard (GRS), Recycled Claim Standard (RCS)

Secondary (recycled) materials used in adidas products and packaging in 2025¹

	2025		2024	
	Tonnes	% of total material type	Tonnes	% of total material type
Secondary (recycled) materials				
Recycled polyester	155,309	99%	129,388	99%
Recycled paper and cardboard	123,078	85%	108,307	85%
Other recycled materials	17,824	17%	12,048	12%
Total secondary materials²	296,212	43%	249,743	42%

1 Details are provided in the explanatory notes to our reported material use data.

2 Percentage relates to total material inflows presented in the above table.

Recycled textile materials are GRS- or RCS-certified. For EVA, rubber, and non-textile materials, we partially rely on supplier self-declaration, as certification is not yet available for some of the recycling processes used in footwear production. We do not purchase or track components or intermediary products, and therefore, the reuse of such components or intermediary products is not a business situation we encounter. For packaging materials, data are based on LCA data.

Explanatory notes to our reported material use data

The presented product and packaging material use data are based on the following calculation methodologies and sources:

- Materials used in adidas products: Use data are based on Spring/Summer 2025 and Fall/Winter 2025 seasons.
- Materials used for packaging: Due to the decentralized nature of our distribution, it is difficult to collect primary data for packaging. Packaging material consumption is calculated based on 2025 sales data (volume by channel) and average packaging weights per product division (based on primary data collected in 2021). The ratio between virgin and recycled materials for polybags is based on primary data collected in 2021, and recycled content for cardboard is based on LCA data (EU-28: Corrugated board 2018). The average weights for secondary (transport) packaging are based on PEFCR. Due to the fact that we use recognized and widely applied data sources and methodologies, we consider our assumptions and calculations to be solid. However, we aim to start collecting primary packaging data for key parts of the supply chain in the upcoming years to improve accuracy in the future.
- Polyester, cotton, polyamide, wool, man-made cellulosic fibers, down as well as leather: Material use is derived from actual consumption data in the bill of materials as reported by Tier 1 suppliers and the material composition information provided by our Tier 2 suppliers. Due to the complexity stemming from the product construction of leather-based footwear, we perform control checks on the weight of leather used to calculate the final leather consumption.
- Polyester trims: Material use is reported in 'Other synthetic materials.'
- Rubber, EVA, PU, and other synthetic polymers for footwear bottom parts: Material use is calculated by extrapolating from data reported by Tier 1 and Tier 2 suppliers in the countries of origin, who account for 90% of the total footwear production volume.
- Silica (as part of other technical materials): Some country-specific material consumption volume is interpolated by applying a ratio based on the already available primary data gathered.

E5-5 - Resource outflows

There is currently no industry standard that defines circular economy principles for designing apparel and footwear products. Nonetheless, we are already following an approach that aims to consider sustainable resource use where possible. We will eventually adjust our approach when the expected adoption of the ESPR and other similar regulations provides more clarity on definitions and standards.

Durability, repairability, and recyclability are neither legally defined nor standardized in the apparel and footwear industry yet. One reason for this is the wide variety of product types and product purposes in scope. As part of the EU's PEFCR and ESPR, several multi-stakeholder working groups are working to define standards in these areas. We plan to align our approach with regulations and standards as soon as they become available.

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– Durability: While there are currently no industry average metrics or standards in place that determine durability of apparel and footwear, we are constantly testing the quality and performance of our products. More information on our testing protocols can be found within this chapter.

▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

– Repairability: There is no average metric or standard for repairability in the apparel and footwear industry. Most of our apparel products can be repaired by consumers themselves or by a tailor. Our footwear can be repaired by shoemakers, however, some of our technical footwear products and sports accessories may not be repairable due to their design or construction. In case of defective products, we provide the legally mandated warranty. We have also piloted consumer repair services to understand how we can better serve consumers in this area.

▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

– Recyclability: As mentioned in earlier sections, recycling technology for apparel and footwear is in the early stages of development. Due to the lack of a standardized definition of recyclability and the respective infrastructure (collecting, sorting, and recycling), it is not possible to claim recyclability for our products at this time. There is currently no established process for the treatment of textile waste in the EU. While some countries have initiated efforts in this area, current practices vary significantly from country to country. We continuously monitor developments in this area and remain committed to supporting the creation of a circular ecosystem.

As for the packaging materials, we use only mono-material packaging for our plastic and paper packaging, which is fully recyclable. The LDPE polybags used for apparel and some types of accessories are also recyclable.

EU Taxonomy

Reporting scope for fiscal year 2025

In 2020, the EU introduced the EU Taxonomy Framework ('Taxonomy'), a classification system to determine the environmental sustainability of economic activities. The Taxonomy was amended in 2023 and subsequently revised and simplified in 2025. The updated Delegated Act was adopted by the European Commission in July 2025, and by the Council and the European Parliament in January 2026. adidas has been applying the updated Delegated Act. In line with the Taxonomy requirements, we are obligated to disclose the share of our Taxonomy-eligible and Taxonomy-aligned turnover (net sales), capital expenditure ('CapEx') and operating expenses ('OpEx') for the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

Determination of Taxonomy-eligible activities

Due to the adidas core business activities, i.e., the manufacturing of textiles and footwear as well as the wholesale and retail sale thereof, remaining out of the scope of the Taxonomy, we have no turnover-generating Taxonomy-eligible activities to report on for 2025. Unchanged to prior years, Taxonomy-eligible activities at adidas were identified only in connection with the environmental objective of climate change mitigation ('CCM'). These activities are related to our climate strategy actions and form part of our own operations decarbonization lever.

► SEE ESRS E1 – CLIMATE CHANGE

With the adoption of the revised Delegated Act in January 2026, non-financial undertakings may report cumulated activities that fall below a 10% materiality threshold of the respective denominator KPI as non-material, using the simplified reporting approach. This reduces the scope of mandatory disclosure for adidas to a single activity:

— CCM 7.7 Acquisition and ownership of buildings (including building leases)

Assessment of Taxonomy alignment of Taxonomy-eligible activities

Since the identified Taxonomy-eligible activities all relate to the purchase of output from potentially Taxonomy-aligned activities, the Taxonomy alignment assessment needs to be performed at the output, i.e., production level and is dependent on acquiring the relevant information from the respective third-party suppliers. Due to the expected time and resource investment necessary for assessing all individual projects and items contributing to the eligible activities, we prioritized the assessment of those individual activities that were most material in terms of value and/or were more likely to be Taxonomy-aligned due to the availability of the necessary information.

CCM 7.7: Eligible activities include the leasing of warehouses/distribution centers, own retail stores, and corporate offices. The applicable substantial contribution and 'do no significant harm' (DNSH) criteria are in connection with the primary energy demand of the analyzed building and the performance of a robust climate risk and vulnerability assessment for the building location, respectively. The substantial contribution

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criterion evidence that is most relevant for adidas in this regard is the existence of an Energy Performance Certificate (EPC) class A. Many of the eligible building leases are located outside of the EU, where this EU-centric certification is not common practice and other standards and frameworks, which are not mentioned in the Regulation, are typically used (e.g., LEED certification). In line with the generally low share of available non-residential buildings meeting these energy performance standards across our markets, only a few eligible leases in 2025 fulfill this criterion. This is particularly the case for our eligible retail leases as many retail stores are mall-based, where adidas has only very limited influence on the building design and/or (re)development. In addition, certain eligible retail lease locations are heritage sites for which it is not possible to obtain EPC class A certification. The climate risk analysis was performed on a case-by-case basis using different information sources, such as input from landlords and/or our insurance provider. In addition, the insights related to our climate resilience analysis were taken into account to perform the DNSH assessment for several eligible buildings. For the majority of the assessed building leases not all information was available for a complete and conclusive assessment exactly as per the methodology and scope prescribed by the regulation. However, several eligible lease contracts – covering a smaller warehouse in Dubai as well as multiple retail and corporate office locations across Europe – meet the substantial contribution criterion.

▶ SEE ESRS E1 – CLIMATE CHANGE

Minimum safeguards

The minimum safeguards form part of the Taxonomy alignment criteria. Their purpose is to clarify that eligible economic activities can only be environmentally sustainable when performed in circumstances that are compliant with social norms and certain minimum governance standards. In this context, companies must implement appropriate processes and procedures to avoid negative influences on or violations of the following four specific topics: human rights (including labor rights), taxation, corruption/bribery, and fair competition.

adidas has taken a company-wide approach to meeting the minimum safeguards covering human rights, taxation, corruption/bribery, and fair competition. Our subject matter experts in the areas of social and environmental affairs, tax, and legal determined the extent to which the mentioned governance standards and policy frameworks are already embedded in existing adidas policies (e.g., adidas Human Rights Policy) and standard operating procedures (e.g., adidas Fair Play Code of Conduct), as well as in its compliance management system.

As in 2024, our assessment for the fiscal year 2025 confirmed that Taxonomy-eligible activities were performed in a manner that is fully compliant with minimum safeguards. We maintain rigorous internal policies and oversight mechanisms to ensure ongoing compliance with these standards.

More information on our compliance with the respective criteria is included in this Annual Report:

- Human rights and labor rights
 - ▶ SEE ESRS S1 – OWN WORKFORCE ▶ SEE ESRS S4 – CONSUMERS AND END-USERS
- Taxation
 - ▶ SEE RISK AND OPPORTUNITY REPORT
- Corruption/bribery
 - ▶ SEE RISK AND OPPORTUNITY REPORT ▶ SEE ESRS G1 – BUSINESS CONDUCT
- Fair Competition
 - ▶ SEE RISK AND OPPORTUNITY REPORT

Determination and reporting of Taxonomy KPIs

Turnover KPI: Turnover as per the Taxonomy (denominator of the turnover KPI) is equivalent to our net sales disclosed in the consolidated financial statements in this report. In 2025, the turnover amounts to € 24,811 million (2024: € 23,683 million). The identified eligible activities at adidas were not turnover generating, resulting in a numerator value of '0' and, accordingly, a turnover KPI of 0% eligible turnover.

► SEE INCOME STATEMENT

CapEx KPI: In comparison to the disclosed CapEx value of €477 million in this report, the Taxonomy definition of CapEx results in a total value of € 1,158 million (denominator of the CapEx KPI) at adidas (2024: € 1,767 million). The denominator contains, in accordance with the definition of the Taxonomy and as disclosed in this report, additions to buildings, technical equipment and machinery, other equipment, furniture and fixtures, right-of-use assets, and other intangible assets, before depreciation, amortization, and remeasurements. To calculate the numerator of the CapEx KPI, we analyzed the additions in relation to the identified eligible activities as described above. In this process, we conducted several control measures, such as plausibility checks and reconciliations, to avoid double-counting of additions. In total, the corresponding numerator of the eligible CapEx KPI amounts to € 659 million (2024: € 1,243 million), resulting in a CapEx KPI of 57% eligible and 43% non-eligible CapEx. The eligible CapEx in 2025 solely relates to building leases (CCM section 7.7), which amount to €659 million. While a total of € 79 million of eligible CapEx complies with the substantial contribution criteria, € 0 million of eligible CapEx are Taxonomy-aligned, yielding a CapEx KPI of 0% aligned CapEx (2024: 33% aligned CapEx). Other activities, like company car leases (CCM section 6.5) and energy efficiency measures (CCM section 7.3), both assessed in prior years, fall within the scope of the EU Taxonomy but are non-material for adidas due to their low CapEx contribution (8%) and are excluded from the numerator, but remain part of the denominator.

► SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

Taxonomy-eligible CapEx in 2025

€ in millions	Total	Taxonomy-eligible		Substantial contribution		Taxonomy-aligned		Taxonomy-non-eligible	
		in %	in %	in %	in %	in %	in %		
CapEx	1,158	659	57%	79	7%	—	—%	499	43%
CCM 7.7 Acquisition and ownership of buildings (including building leases)	659	659	57%	79	7%	—	—%	—	—%

OpEx KPI: The Taxonomy definition of 'OpEx' refers to expenditure for research and development, short-term leases, maintenance and repair, as well as certain other expenditure. In 2025, this amounts to € 1,062 million (denominator of the OpEx KPI) at adidas (2024: € 954 million), which compares to € 24,811 million of net sales and € 10,871 million of OpEx as per the consolidated financial statements for adidas disclosed in this report. In the context of our business model, which is the design, development, production, and marketing of a broad range of performance and sports lifestyle products, we consider the Taxonomy OpEx KPI denominator value to be insignificant. Consequently, and in line with the provisions of the regulation, we report the numerator value of our Taxonomy-eligible OpEx KPI as € 0 (2024: € 0). No further information on the alignment of eligible OpEx can be provided in this Annual Report, accordingly.

We consider the EU Taxonomy to be a potentially valuable instrument that might help us validate and adjust our sustainability ambitions over time, assuming our core business activities become eligible to contribute to the Taxonomy’s environmental objectives and a common interpretation of all aspects relevant to adidas is established. At the time of the publication of this report, it remains unclear if this will happen in the foreseeable future.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities - disclosure covering business year 2025 (summary KPI)

Business year 2025		Breakdown by environmental objectives of taxonomy-aligned activities											Proportion of taxonomy-aligned activities in financial year 2024 (16)		
KPI (1)	Total (2)	Proportion of taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy-aligned activities in financial year 2024(15)	Proportion of taxonomy-aligned activities in financial year 2024 (16)
	€ in millions	in %	€ in millions	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	€ in millions	in %
Turnover	24,811	—%	—	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—	—%
CapEx	1,158	57%	—	—%	—%	—%	—%	—%	—%	—%	100%	—%	8%	576	33%
OpEx	1,062	—%	—	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—	—%

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering business year 2025 (activity breakdown)

Economic activities	Reported KPI CapEx, business year 2025	Environmental objective of taxonomy-aligned activities												
		Code (2)	Taxonomy-eligible KPI (proportion of taxonomy-eligible CapEx) (3)	Taxonomy-aligned KPI (monetary value of CapEx) (4)	Taxonomy-aligned KPI (proportion of taxonomy-aligned CapEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of taxonomy-aligned activities (14)
			in %	€ in millions	in %	in %	in %	in %	in %	in %	in %	(E where applicable)	(T where applicable)	in %
Acquisition and ownership of buildings (building leases)	CCM 7.7	57%	—	—	—	—	—	—	—	—	—	E	—	—%
Sum of alignment per objective						—%	—%	—%	—%	—%	—%			
Total KPI (CapEx)		57%	—	—	—	—%	—%	—%	—%	—%	—%	100%	—%	—%

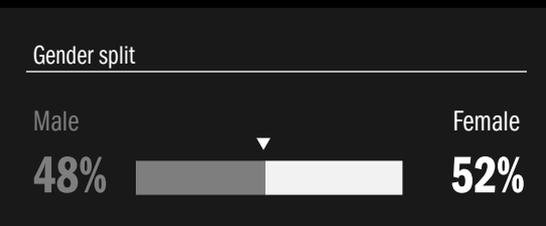
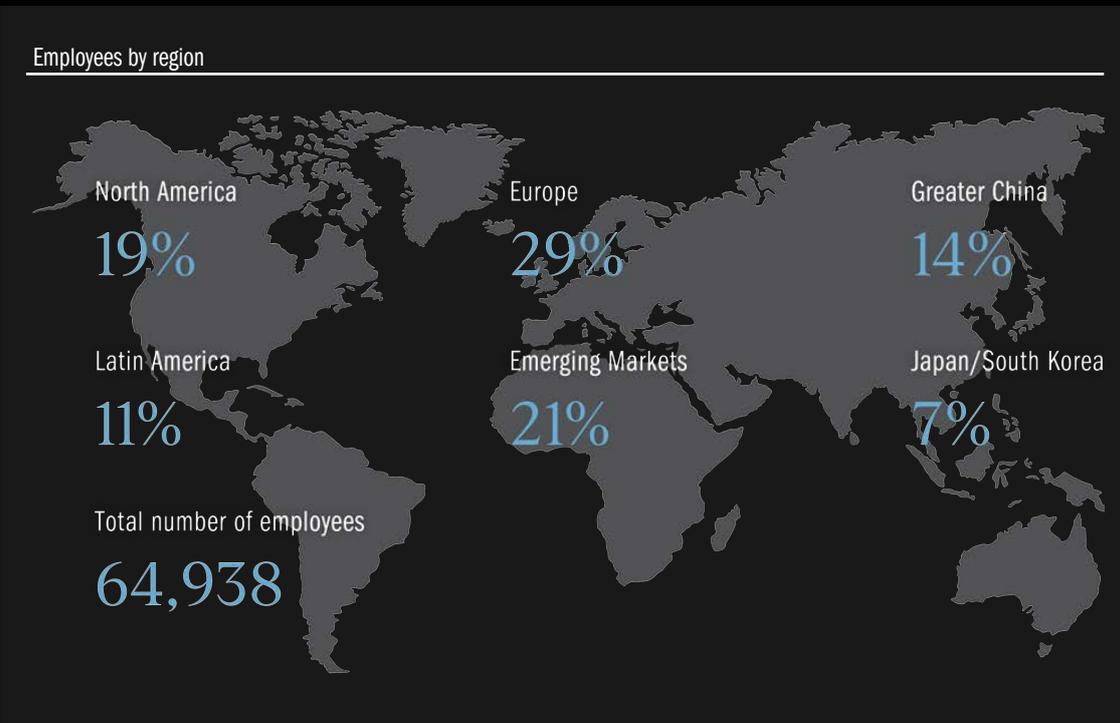
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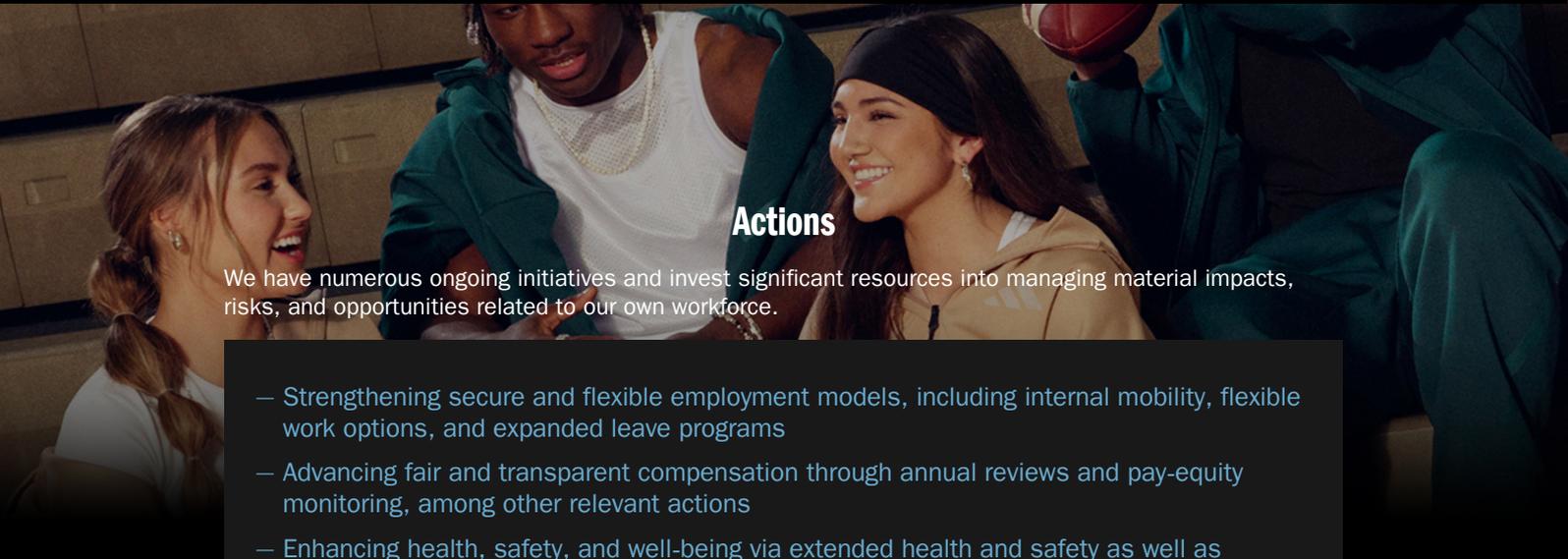
Own Workforce

Our people power our strategy and performance. We foster an inclusive culture where every colleague can contribute and grow, grounded in our values of Courage, Ownership, Innovation, Teamplay, Integrity, and Respect. This culture strengthens engagement, supports well-being and development, and ultimately contributes to brand momentum and business results. We cultivate an environment that enables colleagues to thrive and contribute to our long-term performance.

We also remain attentive to the risks that may affect our workforce. Ensuring full compliance with health and safety standards is essential to protecting our people and maintaining a safe and secure workplace. Continuous learning plays a critical role in strengthening engagement and future readiness. Addressing these areas is an integral part of how we safeguard our people and continue to strengthen our culture.

Key metrics





Actions

We have numerous ongoing initiatives and invest significant resources into managing material impacts, risks, and opportunities related to our own workforce.

- Strengthening secure and flexible employment models, including internal mobility, flexible work options, and expanded leave programs
- Advancing fair and transparent compensation through annual reviews and pay-equity monitoring, among other relevant actions
- Enhancing health, safety, and well-being via extended health and safety as well as mental-health trainings, accident investigations, and hybrid wellness offerings
- Investing in talent development with global leadership programs, such as Functional Academies, the GHIPO program, mentoring, and improved performance practices

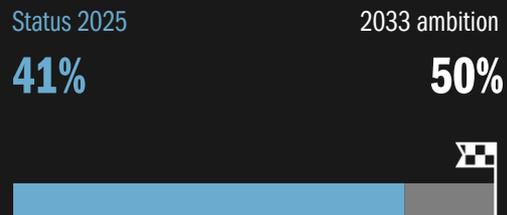
Targets

Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions is paramount and we achieve it through aligned and measurable goals.

Global equal pay target

Our ambition is to identify and monitor pay gaps and take concrete measures to close them. We intend to do this globally across all countries with adidas employees, in line with, but not necessarily limited to, the scope of the EU Pay Transparency Directive.

Women in leadership positions¹



¹ Director (M2) and above positions.

Health and safety target

adidas sets KPIs to fulfill and track the progress of its Health and Safety Policy, with the goal of minimizing work-related incidents.

ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Our people are the key to our company's success. Their performance, well-being, and personal development have a significant impact on our brand reputation, consumer satisfaction, and, ultimately, our results. In our roadmap to success, we emphasize the focus on our own workforce as a foundational pillar that will guide us in the years to come.

Our goal is to develop a culture that values our employees' experience, well-being, and performance. To support this aim, we rely on our six values – Courage, Ownership, Innovation, Teamplay, Integrity, and Respect – across our people policies and processes, including how we hire, promote, and evaluate performance. These values are closely tied to our culture and are the essence of our identity. They underscore the behaviors and mindsets we value in our colleagues, represent the attitude we want to see in each other, and help us achieve top performance. These values also build the foundation of our leadership framework called 'Leadership³,' which is built around nine core competencies divided into three key areas: Excel, Empower, and Elevate, which guide leaders in driving performance, building inclusive teams, and fostering innovation.

Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions and supporting freedom of association and the right to collective bargaining are material for us. This includes ensuring secure employment, promoting a healthy work-life balance with flexible and fair working time, enhancing employee engagement and development, creating an inclusive workplace for all employees that leverages everyone's talents, and providing competitive compensation and benefits. These factors are crucial for attracting and retaining top talent, which in turn guarantees high product quality and the ability to meet customer demands.

Our continued focus on our people can be further explained by our priorities around creating an equal playing field for all, leadership and performance. These pillars seek to focus our efforts on people and culture by:

- embedding inclusion and belonging even further into talent processes and our culture in a legally compliant manner;
- attracting, developing, and retaining key talent;
- developing role-model leaders who empower people;
- instilling a mindset of continuous learning;
- recognizing and rewarding performance.

The interests, views, and rights of our employees are highly important to us. We engage with them through multiple channels and events to continually adapt our focus on people and roadmap to success.

SBM-3 – Own workforce and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Secure employment	Positive Impact	Actual	n.a.	Own operations	Providing a safe working environment for employees contributes to better productivity, well-being (incl. mental and physical health), and financial stability.
Working time	Positive Impact	Actual	n.a.	Own operations	Providing flexible and fair working time and rules for employees actively supports employee well-being (incl. mental and physical health) and work-life balance.
Adequate wages	Positive Impact	Actual	n.a.	Own operations	Adequate wages positively impact employees' financial security and stability, contributing to overall well-being and motivation.
Freedom of association	Positive Impact	Actual	n.a.	Own operations	Basic human and labor rights positively impact employees' abilities to protect and enforce their rights and represent their views and interests around working conditions on an institutional level.
Collective bargaining	Positive Impact	Actual	n.a.	Own operations	Collective bargaining can offer employees the opportunity to negotiate employment conditions at a collective level. Negotiations on a collective level are also possible through representatives elected directly by employees, such as works councils, which can also lead to positive results.
Work-life-balance	Positive Impact	Actual	n.a.	Own operations	Providing flexible working hours and hybrid working, where job responsibilities allow, helps employees achieve a better balance between their private and professional lives.
Health and safety	Negative Impact	Actual	n.a.	Own operations	Negative impacts occur around mental and physical health, impacting an individual's ability to perform well at work.
Health and safety	Risk	n.a.	Short-term	Own operations	Non-compliance with health and safety regulations or security measures across our operations, risks legal penalties, fatalities, and reputational damage for adidas, particularly when responsibilities are unclear, or awareness is lacking.
Gender equality and equal pay	Negative Impact	Actual	n.a.	Own operations	Unfair and unequal treatment of employees leads to financial disadvantages for individuals and negatively impacts career progression and employee engagement.
Training and skills development	Positive Impact	Actual	n.a.	Own operations	Providing training positively impacts our employees' engagement, qualifications, professional development, and career progression.
Training and skills development	Negative Impact	Potential	Long-term	Own operations	Lack of training and skills development can result in lower employee engagement and qualifications and hinder career progression.
Training and skills development	Risk	n.a.	Short-term	Own operations	As we rely on a talented and skilled workforce, inadequate training and development may lead to higher staff turnover rates and the loss of key personnel and capabilities, resulting in productivity inefficiencies, disruption of key business activities, suboptimal business performance, and higher costs.
Training and skills development	Opportunity	n.a.	Mid-term	Own operations	adidas relies on the skills and capabilities of its people and leaders to realize its strategic ambitions. If adidas successfully develops an inclusive, and talented workforce that maintains a culture of trust, creativity, and innovation, employee engagement will increase.
Employment and inclusion of persons with disabilities	Negative Impact	Actual	n.a.	Own operations	Insufficient employment opportunities and career progress for people with disabilities negatively impact overall employee engagement levels, as employees expect a more inclusive working environment.
Measures against violence and harassment	Negative Impact	Actual	n.a.	Own operations	Harassment and violence negatively impact the mental and physical health of all employees. In particular, Retail employees can be exposed to external incidents like criminal activities for example store robberies.
Diversity	Positive Impact	Actual	n.a.	Own operations	Providing an inclusive working environment and fair opportunities for individuals helps employees feel a sense of belonging and engagement.
Diversity	Negative Impact	Potential	Long-term	Own operations	Unconscious and conscious biases in our systems and practices can negatively impact employees' career development and personal health.
Diversity	Opportunity	n.a.	Mid-term	Own operations	adidas strives to develop people and leaders of all backgrounds with the capability to maintain an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory as well as a culture of trust, diversity of thought, creativity, and innovation. This development can lead to greater employee satisfaction and engagement, as well as innovation, which may enhance adidas' capacity to execute its strategy and potentially overachieve its financial objectives.
Diversity	Risk	n.a.	Short-term	Own operations	adidas relies on the skills and capabilities of its employees and leaders to achieve its strategic ambitions. If adidas fails to further develop an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory as well as a culture of trust, diversity of thought, creativity, and innovation, this might lead to decreased employee satisfaction and engagement. As a result, adidas would jeopardize its capacity to execute its strategy and achieve its financial objectives.

All employees in adidas' own workforce that can be materially impacted are included in the scope of our disclosures under ESRs 2.

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Types of employees affected by workforce-related material impacts

Employees – all employed by the company:

- **Corporate:** Employees working across a diverse range of functions that are located in corporate offices around the globe. These roles fall under various job family groups, including Brand Management & Communications, Corporate Services, Data Analytics & Data Science, Digital, General Management & Business Development, Legal & Regulatory, Merchandising & Planning, People & Culture, Product Development & Operations, Real Estate & Facilities, Sales, Sourcing, Supply Chain Management, and Technology.
- **Retail:** Employees responsible for adidas retail operations, including the promotion and sale of in-store products and services directly to end-consumers. This group includes both front-line staff with direct customer interaction – such as shop floor personnel, cashiers, and sales associates – as well as back-office roles focused on store administration and management.
- **Distribution Centers (DCs):** These employees include those working in both operational and administrative roles. This encompasses back-office functions such as administration and management, as well as logistics and planning teams responsible for productivity, inventory, quality control, and reporting. Operations teams within the distribution centers manage the receipt, storage, and shipment of products, ensuring efficient flow and accurate documentation throughout the process.
- **Production:** Responsible for setting up, operating, maintaining, and troubleshooting manufacturing production (i.e., machining, processing, assembly, or modifying) equipment for any factories and centers. They help to ensure innovative and cost-efficient production processes with optimal capacity utilization.

Non-employees – external workforce types:

- **Contingent labor:** Individuals who are sourced on a role or project basis. There are two different types of contingent labor:
 - **Temporary labor:** Individuals employed by temporary staffing agencies for the purpose of being assigned to other companies temporarily. Temporary labor workers perform internal adidas roles and are directly supervised and managed by adidas employees.
 - **Individual suppliers/employed professionals/employed consultants:** As experts in their fields, these individuals advise companies within their area of expertise; however, unlike temporary labor workers, they typically work independently while offering guidance and advice on strategic, legal, financial, or other matters.
- **Services Procurement:** In the area of Services Procurement, external service providers are companies that deliver people-based services to a company in an autonomous, liable, and self-reliant way. These include technical consulting companies, specialty services, marketing agencies, and maintenance companies. They are typically retained to perform project-based work under a contractual arrangement often called a Statement of Work (SOW).

Our employees are affected by both positive and negative material impacts to varying degrees due to the nature of their work:

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SBM-3 - Material negative impacts - systemic or individual

Material topic	Material negative impact – systemic or individual
Health and safety	Individual – due to incidents in the workplace that could be related to physical violence, accidents in the workplace, or interaction with hazardous materials.
Gender equality and equal pay	Systemic – countries with laws restricting women from employment are more at risk of having unequal pay and lower workforce gender diversity.
Training and skills development	Systemic – due to the availability of training and skill development offerings across countries and functions.
Employment and inclusion of persons with disabilities	Systemic – due to inclusion in terms of hiring and accessibility for disabled persons in the workplace.
Measures against violence and harassment	Individual – due to incidents in the workplace that may be related to physical violence between employees or between non-employees and customers.
Diversity	Systemic – countries with laws limiting rights of the LGBTQIA+ community, women’s employment, or restrictive immigration laws are more at risk of having lower diversity.

The business model of adidas is expected to be impacted by climate change only in the long term, as described in the topical standard ESRS E1 Climate Change. Most of our environmental impacts occur in our upstream value chain. Therefore, our primary efforts to reduce environmental impacts focus on increasing the use of green energy in our upstream value chain, developing new materials, and changing the existing mix toward lower-impact materials. We do not anticipate any restructuring or employment loss as part of our response to climate change. Instead, we see the transition to greener operations as a potential opportunity to create new jobs and upskill our own workforce on environmental topics.

We have also identified risks and opportunities that relate to specific groups of people rather than the entire workforce:

SBM-3 - Material impacts on employee groups

Material topic	Corporate/Retail/DC	Non-employees
Secure employment	Job security has a greater positive material impact on corporate employees, but it is less significant for DC and Retail workers due to the seasonality of workforce demand. Employees with non-guaranteed working hours - who are more common in retail, albeit only in certain markets - and temporary workers may be at a higher risk for adverse impacts due to the nature of their employment arrangements.	Demand volatility contributes to circumstances where non-employees may face more unpredictable employment conditions or are subject to short- or fixed-term contracting compared to employees.
Working time	Working time has a more positive impact on corporate employees, who have more flexible working options, whereas Retail and DC employees work on-site. Time tracking is simpler in Retail and DCs as these utilize system check-ins and check-outs, while corporate time tracking is trust-based and completed online in many locations, and varies in line with local regulatory requirements.	The positive impact is lower for non-employees as they are subject to working time tracking and benefits from their direct employer.
Work-life-balance	The actual positive impact on employees, particularly corporate workers who do not work in shifts, stems from the availability of flexible working hours and hybrid work options.	The positive impact is lower for non-employees as they are subject to working time tracking and benefits from their direct employer.
Adequate wages	Differentiation is driven by geography, could also differ by employee groups.	Potentially different impact as non-employees may be subject to conditions offered by their direct employer.
Freedom of association	No differentiation due to common framework.	Less material impact as non-employees are subject to rights from their direct employer.
Collective bargaining	No differentiation due to common framework.	Less material impact as non-employees are subject to rights from their direct employer.
Health and safety	Health and safety is a greater risk for DC and Retail employees due to the physical nature of their jobs, which exposes them to potential accidents or hazardous materials. Retail employees working in busy urban areas also have a higher exposure to violence as their workplaces provide open access to customers.	Non-employees benefit from the same on-site health and safety measures as employees.
Gender equality and equal pay	No differentiation within types of employees due to common salary frameworks applicable to these types of employees.	Potentially different impact where non-employees are subject to conditions offered from their direct employer.

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SBM-3 – Material impacts on employee groups

Material topic	Corporate/Retail/DC	Non-employees
Training and skills development	This opportunity is most pronounced for corporate employees, who generally have broader access to digital infrastructure, online training, and in-person learning within the office environment. In Retail, access to development opportunities has improved through enhanced connectivity to corporate platforms, expanded digital learning options, and new in-person formats, especially for store management. In DCs we took major steps in 2025 improving technical access and digital learning availability for our DC frontline employees and strengthened DC leadership development across all leadership levels.	Potentially different impact as non-employees are subject to offers for training and skills development from their direct employer.
Employment and inclusion of persons with disabilities	Greater risk for DC and Retail employees due to the physical nature of their jobs and the physical limitations of retail stores and DC warehouses, which make the inclusion of disabled persons more complex.	Greater risk for non-employees in DC and Retail environments due to the physical nature of their jobs and the limitations of the environment.
Measures against violence and harassment	Retail employees face a greater risk due to direct consumer contact, which can impact workplace security. In contrast, corporate and DC employees experience no increased risk, as access to their workplaces is restricted or closed.	Non-employees benefit from the same on-site health and safety measures as employees.
Diversity	Diversity in DC and Retail workers is represented by local ethnicities and diversity demographics, as hiring practices primarily focus on the local and seasonal workforce, and international mobility packages are less common. All DC, Retail and corporate employees benefit from a more positive impact regarding diversity.	Similar to employees.

SBM-3 – Material risks and opportunities arising from impacts relating to specific groups of people

Risks and opportunities of material topic	Corporate/Retail/DC	Underrepresented groups	Employees in crisis/conflict areas
Health and safety	Health and safety is a greater concern for DC and Retail employees due to the physical nature of their jobs and higher exposure to potentially hazardous situations and materials.	n.a.	Potential health and life threats (not work-related) in active military conflict areas and in crisis areas due to natural or environmental disasters.
Training and skills development	More opportunities for corporate employees due to the nature of their work, better access to digital infrastructure and online training programs, and in-person training conducted within the office environment.	Global inclusion and belonging training, together with strong Employee Resource Groups (ERGs), helps create a more inclusive environment and enhances working conditions, particularly for underrepresented groups.	Fewer opportunities to conduct on-site training.
Diversity	Higher risk for DC and Retail employees due to hiring practices that rely more on local workforces.	<p>Risk: Lack of non-exclusionary and non-discriminatory practices can negatively impact the careers and personal health of employees. This may also result in lower representation across different levels, especially across higher-ranking roles.</p> <p>Opportunity: Engage in measures that provide an inclusive environment and fair opportunities for all individuals, helping employees feel a sense of belonging and engagement.</p>	n.a.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

At adidas, our policies serve as a foundational framework to guide ethical behavior, ensure compliance, and foster a respectful and inclusive workplace. We take a principles-based approach, aligning our policies with global standards, local regulations, and adidas’ core values. As a diverse company where 180 (2024:175) nationalities bring their uniqueness to work each day, we are united by our values of Courage, Ownership, Innovation, Teampay, Integrity, and Respect. These values are embedded in our policies, which aim to safeguard employees’ rights, educate our workforce on acting with integrity and non-discrimination, and establish the necessary frameworks for a safe and empowering working environment. Each policy is designed to be clear, accessible, and actionable – articulated in a way that supports understanding across diverse roles and regions, enabling consistent application while allowing for contextual relevance.

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S1-1 – Policies related to own workforce

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Company agreements on working location flexibility (WC)	Enable mobile working, both nationally and internationally.	Own operations (corporate employees globally, where locally possible)	Executive Board Member Global Human Resources, People and Culture	n.a.	Works Council	Available for all employees
Rewards Strategy and Compensation Policy (WC)	Outlines the elements of employee total compensation, ensures consistent application within adidas, and sets the related monitoring actions.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Global Training Policy (WC, ET)	Outlines adidas' approach to training and its expectation that employees complete all mandatory trainings. Monitored through the Learning Management System (LMS).	Own operations (all adidas employees with regular access to the LMS)	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Health and Safety Policy (WC)	Establishes uniform, mandatory global standards for minimum occupational health and safety for adidas employees, visitors, and external service providers. Country-specific policies complement it.	Own operations	Executive Board Member Global Human Resources, People and Culture	ISO 45001	n.a.	Available for all employees
Integrated Management System Global Policy (WC)	Sets standards for adidas entities worldwide to manage operations in a safe, healthy, energy-efficient and environmentally responsible manner and continuously improve practices. Regarding its own workforce, adidas specifically has a Health and Safety Management System in place that aligns with ISO standards.	Own operations	Executive Board Member Global Human Resources, People and Culture	ISO 14001, ISO 45001, ISO 50001	n.a.	Accessible on corporate website
Fair Play Code of Conduct (ET)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems in which they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing. Promotes a respectful, equitable, and inclusive work environment.	Entire value chain	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Anti-Harassment and Anti-Discrimination (ET)	Details how adidas prevents, detects, and responds to all forms of discrimination and harassment. Complemented by the adidas Fair Play Code of Conduct.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Accessible on corporate website
Equal Employment Opportunity (ET)	Ensures adidas and its entities comply with local laws, act as equal employers, and make employment decisions based on merit. Prohibits discrimination based on race, color, creed, origin, sex, orientation, age, ancestry, disability or other factors.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Human Rights Policy (WC, ET)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

¹ Material matters addressed by policies and guidelines are abbreviated as follows:

WC – Working Conditions

ET – Equal Treatment and Opportunities for all

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Our human rights approach

adidas is committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). We also draw on guidance from the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. adidas' commitment embraces all internationally recognized human rights, including those contained in:

- the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights; and
- the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. They include freedom of association, the right to collective bargaining, and the rights not to be subjected to forced or child labor or discriminated against regarding employment and occupation.

Where there is potential for adverse impacts on vulnerable people or groups, we will also consider other international standards and principles that elaborate on the rights of such individuals or groups, including Indigenous peoples, women, national, ethnic, religious, and linguistic minorities, children, disabled people, migrant workers and their families, and human rights defenders. Our considerations include, for example, the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child.

Our commitment to human rights is supported through an ongoing due diligence process to identify, address, evaluate, and communicate the risks of involvement with adverse human rights impacts. Our Human Rights & Environmental Due Diligence (HREDD) processes are also aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We are committed to providing for or cooperating in the prevention, mitigation, and remediation of adverse human rights we have caused or contributed to, and will seek to promote or cooperate in the mitigation and remediation of adverse impacts where we are linked to these through our business relationships. Moreover, our commitment is supported by key policies, including the adidas Workplace Standards – our supply chain code of conduct outlining our expectations on human rights and employment standards, including those regarding forced labor, child labor, discrimination, wages, benefits and compensation, working hours, freedom of association and collective bargaining, worker health and safety, and environmental practices. More details are provided in the S2 – Workers in the value chain chapter.

▶ SEE ESRS S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

Concerning human rights issues, adidas engages with its workforce both directly and through work councils. Details on how we engage with employees and provide open channels for communication and grievances are provided within this chapter.

▶ SEE ESRS S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

As mentioned above, adidas' human rights policy related to its own workforce includes safeguarding against human trafficking, forced or compulsory labor, and child labor. Further details on how we address these issues, including measures to provide and/or enable remedies for human rights impacts, can be found in this chapter.

▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

S1-2 – Processes for engaging with own workers and workers’ representatives about impacts

adidas strives to engage all employees within our workforce, and we leverage our employees’ valuable feedback to improve our business and management. Through various communication and engagement methods implemented across our global organization and workforce, we seek diverse perspectives to identify, understand, and address any negative, positive, actual, or potential material impacts. adidas engages directly with its own workforce as well as workers’ representatives. We incorporate our workforce’s perspectives into decision-making and activities seeking to manage material impacts by gathering and integrating employee feedback into our strategic and operational processes. We present insights from various employee surveys to senior leadership and the Board, which inform action plans and shape initiatives to address identified concerns. For example, our employee listening survey outcomes are utilized and influence our strategies aimed at improving employee engagement and retention or feelings of inclusion and belonging.

We also integrate feedback from workers’ representatives and works councils into our management approach and practices. This collaboration ensures that employee concerns are addressed in the negotiation and implementation of company agreements, demonstrating adidas’ commitment to aligning its actions with the interests and needs of its workforce. Additionally, employee perspectives are directly integrated at the highest levels of decision-making through employee and union representatives on adidas’ Supervisory Board. This representation ensures that employee interests are formally considered in strategic decisions. Outcomes of decision-making and how they were influenced by our engagement with the workforce are communicated to employees in a timely manner and on an ongoing basis. The forums and channels we use include global or local town hall meetings, our corporate intranet, company-wide email communication, our internal social media tool, leadership- or direct line manager-led communications, and function-specific communication streams led by functions such as HR or Finance.

General engagement with own workforce

All employees and teams at adidas are free to discuss any matter or material impacts and take steps to address areas of concern through relevant communication channels. We have established the following engagement methods to gain perspectives from employees on issues important to them while fostering an environment of respect – all measures are managed by the HR function, and ultimately the Executive Board Member Global Human Resources, People and Culture’s responsibility, except for townhall meetings, which are led by the CEO. The resources associated with the different engagement activities are not centrally measured.

General engagement with own workforce

Channel	Description	Participants	Frequency
HR Business Partners (HRBPs)	HRBPs are key global and local contacts for employees, ensuring open and accessible communication. They engage directly with employees to understand their perspectives and address their concerns, providing insights that guide adidas’ decisions. Through regular interactions and engagement initiatives, HRBPs implement local actions based on feedback, integrating employee views into strategy and fostering trust and collaboration.	All employees (engagement at local level)	Ongoing
Candidate Experience survey	This survey evaluates the global candidate experience at adidas by gathering feedback on applications, interviews, job offers, and contract signing. The results are analyzed centrally by the People Intelligence team and on a market level by the Talent Acquisition teams. They are also available to recruiters to develop individually based on received feedback.	All candidates who participated in interviews at adidas	Ongoing
Hiring Manager Experience survey	Similar to candidate experience, this survey gathers feedback around the hiring process, but from the perspective of hiring managers, gathering insights into collaboration with Talent Acquisition as well as quality of candidates.	All hiring managers at adidas	Ongoing
Exit survey	The exit survey captures key reasons for leaving, future plans and intention to return, helping adidas improve retention. Insights are shared quarterly with HR Senior Leadership Team and local actions are driven by HRBPs.	Corporate employees	Ongoing

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Employee Listening Survey (ELS)	The ELS is a team-centered survey that captures feedback on topics managers and teams can directly influence. Local line managers are responsible for taking action based on the results, supported by tailored action guides, training, and resources. Survey outcomes and resulting action plans are shared with the Board. To measure effectiveness, we analyze individual action plans to identify trends and develop targeted support for high-impact areas. We also conduct regular interviews with HR and other business functions to uncover gaps and continuously improve our listening strategy.	All employees	Annually
Townhall meetings	Townhall meetings share global business updates and employee-related news. Employees can submit questions to leadership in person or anonymously online, with responses given during or after the event. All adidas employees are invited via email. Those in distribution centers without email access receive a livestream link. Employee input informs decisions on communication, policies, priorities, and leadership actions.	adidas Executive Board and all adidas employees, excluding externals	Quarterly
Employee Resource Groups (ERG)	ERGs are open to all employees and are voluntarily led global and local networks that give employees of various backgrounds and perspectives a community of belonging and togetherness. With over 30 ERGs worldwide, along with diversity ambassador teams that focus on dimensions of diversity such as ethnicity, gender, women in tech, LGBTQIA+, experienced generation, faith, disability, and caregivers at work. The responsible HR team supports and collaborates with ERGs and gathers feedback through quarterly touchpoints, global activations, and market-led conversations.	All employees - participation is voluntary	Ongoing
Works Council	adidas maintains works councils at the local, national, and European levels to ensure regular employee engagement. Employee concerns are communicated through these councils and help shape organizational decisions. Structured collaboration is supported by the Labor Relations team and HR Employee Relations team, which serve as the legal interface, advising on co-determination rights and managing company agreements. The teams also work to strengthen processes and relationships with all works councils.	All employees have the opportunity to contact the Works Council regarding any concerns or suggestions.	Ongoing In Germany, an all-employee meeting takes place annually.

Responsibility for engagement with own employees through workers representatives

In Germany, adidas’ most senior roles with operational responsibility for employee engagement and ensuring that results inform our strategy are the Executive Board Member Global Human Resources, People and Culture, HR Employee Relations, and the Head of Labor Relations.

In the other locations, workers’ representation is locally structured. The most senior role of the responsibilities differs depending on the size of the location in terms of employee count.

Responsibility for direct inclusion of employee representatives in management bodies

- **Supervisory Board:** Employee, Works Council, and union representatives are part of our Supervisory Board.
- **Executive Board:** The Executive Board Member Global Human Resources, People and Culture, representing employees and their needs.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

At adidas, we are deeply committed to supporting our workforce and addressing any potential adverse impacts they may encounter. We maintain a robust framework of communication channels that empower employees to voice concerns safely and confidentially, reinforcing our dedication to transparency, accountability, and continuous improvement.

Channels for own workforce to raise concerns

adidas provides various channels through which its employees can raise concerns. These mechanisms were established by adidas itself (unless stated otherwise) and are available to all employees, regardless of their position or location. These reporting channels are made known to the employees during onboarding and are accessible on the company SharePoint and our corporate website.

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Concerns related to material impacts may be raised through several internal resources, including an employee's Line Manager, a HRBP, the HR Employee Relations team, or the Compliance team. In regions where legally required, Works Councils are also available to support employees. Furthermore, the Fair Play hotline and Fair Play webform offer a secure and anonymous option for reporting concerns.

Fair Play hotline and webform

The most formal way to raise a concern is through the Fair Play hotline or webform. They are provided by a third-party service provider who communicates directly with the reporter. They allow employees to raise concerns under their own name, anonymously, or semi-anonymously (their name is known to the service provider but not adidas). All concerns relating to harassment, discrimination, and retaliation are reviewed by the HR Employee Relations team to determine the most appropriate form of remediation. Within 48 hours of receiving the concern, HR Employee Relations contacts the reporter to schedule an intake call. During this call, the concerns are discussed with the reporter, and the appropriate form of conflict resolution, such as an investigation, is agreed upon.

adidas assesses the effectiveness of the Fair Play hotline and webform through usage metrics such as frequency of use, types of reports, and resolution times. Each year, adidas publishes statistics on Fair Play to help ensure our workforce is aware of and trusts these processes as a way to raise concerns and have them addressed. It also gives employees confidence that if they speak up, it will always be taken seriously and followed up with action.

We also have a non-retaliation policy to protect individuals who raise concerns from retaliation. Our Fair Play Code of Conduct clearly states that any adidas employee who reports a reasonable suspicion of an actual or potential policy violation is protected against any form of retaliation, regardless of whether their suspicion turns out to be valid. Conversely, any employee who retaliates or attempts to retaliate against a fellow employee who has reported or intends to report a suspected violation, including by pressuring or threatening them not to report, may face disciplinary action. Any employee found to have made a report with malicious intent may also be subject to discipline.

General approach for providing or contributing to remedy

We leverage various tools to resolve negative impacts on our workforce, such as concerns of harassment, discrimination, and retaliation. These tools, such as mediation, intervention, and formal investigation, are applied thoughtfully to ensure fair and effective outcomes. All HRBPs globally receive comprehensive training on the use of conflict resolution tools. It is the responsibility of the HR Employee Relations team and the relevant HRBP to ensure that any issues are addressed and resolved effectively, utilizing the most appropriate tools and approaches for each situation.

Once a concern has been reported via the Fair Play platform, it is documented and managed within the Case Management System (CMS). The CMS serves as a centralized repository for all relevant case documentation, enabling consistent tracking and oversight. By monitoring individual cases, adidas is able to identify patterns and proactively address emerging issues. Introduced in December 2023, the CMS began supporting data collection in 2024 to further enhance reporting capabilities and generate actionable insights.

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CMS investigation process

- **Intake:** After an allegation was reported, an investigation plan is developed to define the scope and outline the steps of the investigation. As part of the initial phase, an intake interview is conducted with the reporter to gather relevant information and better understand the nature of the concern.
- **Investigation**
- **Outcome:** The investigation report includes a conclusion as to whether the allegation has been confirmed or not, along with a clear recommendation for measures. These measures are then implemented by the business area.
- **Documentation**
- **Aftercare:** As part of the resolution process, the reporter and relevant witnesses are contacted, if required, to confirm the outcome of the investigation. The extent of information shared regarding the measures taken is determined by factors such as the nature of the case, the concerns raised, the actions implemented, and the applicable legal framework.

As mentioned earlier, our approach to remedy negative impacts also involves collaboration with ERGs and works councils. This includes regular engagement through dedicated meetings to ensure employee concerns are heard, understood, and appropriately addressed. In Germany, employee complaint cases brought to the knowledge of the Central Works Council are picked up through the HR Relations Lead, HR Employee Relations, or a respective HRBP for further processing. For specific topics, such as performance appraisal escalation processes or off-campus working, company agreements detail the conflict resolution process and procedures. We strive to continuously improve these processes by reviewing our policies and procedures regularly, which also includes incorporating feedback from employees and parties who were negatively impacted.

S1-4 – Taking action on material impacts and approaches to managing material risks and opportunities related to own workforce

adidas is deeply committed to managing the material impacts, risks, and opportunities associated with our workforce and invests significant time and resources into these efforts. These efforts include having dedicated functional Centers of Excellence and a global HRBP network across all locations to support execution and implementation of actions. Functional HR teams who directly contribute to development of actions include HR Compensation and HR Rewards, HR Labor and Employee Relations, HR Transformation & Solutions, HSEE (Health & Safety, Environment, and Energy), and HR Talent with support of other functions.

Working conditions

Secure employment

adidas promotes secure employment by maintaining a low proportion of temporary contracts and prioritizing internal mobility for employees impacted by organizational changes. In cases of business transformation, reorganization, or other structural changes, we strive to safeguard employment by offering affected employees alternative internal opportunities that align with their existing or transferable skill sets.

Working time

adidas provides flexible working models and fosters leadership capabilities that support work-life integration, and family-oriented services. adidas offers both part-time and full-time employment contracts, with working hour adjustments managed in line with local legislation. For parental leave, we provide flexible re-entry programs and unpaid bonding leave, allowing new parents to take up to six months off and

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gradually reintegrate into work life. In addition to statutory leave entitlements - such as annual, maternity, paternity, and parental leave - we offer further time-off options, including sabbaticals and leave to care for close family members. To support employees during key life events, we also provide additional leave for occasions like marriage, caregiving, and relocation, tailored to local laws and country-specific needs.

Our commitment to flexibility extends to work locations through our Remote Working Concept and Working from Elsewhere Policy. The Remote Working Concept enables corporate employees to work from home for a portion of their time – defined individually by each market – while giving them the flexibility to manage their daily schedules independently. Additionally, the Working from Elsewhere Policy enables corporate employees to work from locations outside their designated office for up to ten days per year.

To ensure continuous improvement and accountability at adidas, we regularly review key people metrics such as employee fluctuation, temporary vs. permanent contracts and full-time vs. part-time work ratios, and others. These indicators are reviewed by senior management and supplemented by targeted analyses to support strategic decision-making.

Adequate wages and compensation approach

Our global rewards compensation programs are designed to ensure all employees are paid competitively for the role they perform. Our compensation management approach comprises various elements that help ensure the following:

- all employees are assigned a job role using a global job architecture based on their job profile, ensuring we can compare jobs on a like-for-like basis
- a salary range, which is assigned to each job role, is created using external market data
- compensation of employees is based on their job role and the associated salary range, independent of gender or any other diversity criteria
- upon hiring or in cases of position changes – such as lateral moves, promotions, or demotions – individual salaries are determined based on the salary ranges for the respective job roles, taking into account the employee's relevant experience for the job role
- these criteria are also applied during annual salary reviews to ensure consistency and fairness.

We track the impact of our compensation management approach, especially salary reviews, through management reporting tools. They monitor employee positioning within salary ranges, budget allocations, and, if applicable, investments needed for pay equity, while including an annual gender pay snapshot. We work closely with relevant legal/employee representative bodies to analyze overall pay positioning.

Freedom of association, the existence of Works Council and the information, consultation and participation rights of workers adidas is committed to fostering open and constructive dialogue with employees and their representatives, fully respecting their right to freedom of association and to join representative organizations. Where recognized, these organizations may engage in collective bargaining. In Germany, employee participation is further supported through established works councils and formalized rights to information, consultation, and involvement in decision-making processes. Additionally, consultation with works councils is integrated into our decision-making processes, helping identify and shape required actions.

Collective bargaining

We are committed to an open and constructive dialogue with all people employed by adidas and, where 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

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appropriate agent, engage in collective bargaining according to applicable law. Employees who act as representatives are neither disadvantaged nor favored in any way. In locations where employees have decided not to appoint representatives, we promote direct and open communication between employees and management.

Work-life balance

For parental leave and re-entry, we have programs in place to provide employees with advice early on and options for their return to work, taking into consideration flexible working hours and work locations. In Germany, employees returning from parental leave are entitled to reinstatement in their original positions, which are covered on a temporary basis during their absence. If the original position has ceased to exist, employees are guaranteed placement in an equivalent role. In the US, in addition to the standard paid parental leave for birth-giving mothers (up to 8 weeks at 70% of salary), adidas also offers 14 weeks of paid parental leave at 100% of salary for both birth-giving and non-birth giving parents. Additionally, our parental leave policy allows parents to take up to six months away from work within the first 12 months after their child's birth or placement. In Latin America, adidas offers an extended parental leave policy, granting mothers 24 weeks of paid leave and fathers or partners 20 paid days, with additional flexibility for mothers to reduce working hours for one month before and after maternity leave. This benefit applies to same-sex couples as well as trans and non-binary people, after signing a declaration stating that they are the main caregiver of the baby. This principle also benefits heterosexual employees that become parents through adoption processes.

Health and Safety

At adidas, we recognize physical, mental, and social well-being as essential to sustainable performance. Our holistic approach focuses on prevention, education, and support, offering inclusive programs tailored to diverse employee needs.

- To prevent risks of work-related injuries, adidas carries out risk assessments across all locations – offices, DCs, own retail stores – every two years or following changes or incidents, including pre-opening checks for buildings and machinery.
- Health and safety trainings are regularly conducted and cover topics such as safe work practices, hazard identification, incident response and general well-being. Our mental health initiatives, include psychosocial risk assessments and a Mental Health Compass – a centralized resource which contains curated content, workshops, and tools for self-care, team support, and leadership awareness.
- Regarding the remediation of existing actual health and safety impacts, all corporate and retail accidents that occur are investigated and findings are shared globally with relevant stakeholders. Additionally, solution recommendations are provided that are in accordance with the adidas H&S Manual to prevent accidents' reoccurrence.
- adidas provides coverage for work-related injuries and illnesses, which may include workers' compensation and other medical support. These offerings are available globally, regionally, or locally, and may be statutory or supplemental, depending on market-specific needs and regulations.
- To support a healthy lifestyle and mental well-being, adidas offers a broad range of sports activities, events, and facilities, including corporate gyms at many global locations. Office buildings are equipped with lockers and showers to help employees integrate exercise into their day. In response to hybrid work needs, we provide both local and virtual programs that promote teamwork and wellness, such as hybrid sports classes, medical and psychosocial consultations, digital disconnection tools, and sessions on well-being.

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Equal treatment and opportunities for all

Gender equality and equal pay for work of equal value

Our ambition is to identify and monitor pay gaps, and to take concrete measures to close them. We have been analyzing our gender and equity pay gap data on a regular basis for several years.

Our global rewards compensation programs are gender agnostic and unbiased. This has a positive impact on gender pay equity at adidas.

In addition to reporting remuneration metrics in accordance with ESRS, we are preparing for the implementation of the EU Pay Transparency Directive. We will implement it according to country legislation, invest in advanced reporting tools, and align our own internal policies and procedures.

To prepare for the upcoming national legislation on the EU Pay Transparency Directive, we are planning or have already established a number of measures:

- Europe-wide HR working group to monitor national legislations and share best practices
- Participation in external networks
- Implementation of an internal reporting tool to measure metrics set out by the Directive
- Assessment of internal data and structures for readiness
- Where necessary, adaptation of talent acquisition processes and procedures

Training and skills development

At adidas, we offer a variety of training and skill development programs, combining formal and informal learning opportunities. Our wide range of ongoing formal learning initiatives is designed to support the continuous growth of our employees and to strengthen our leadership pipeline.

- **Leadership development experiences:** Interactive learning sessions designed for every level of management across all markets and functions. They include our People Leader Essentials (PLE), Manager Development Experience (MDE), and Director Development Experience (DDE).
- **adidas Functional Academies:** To address evolving business needs and avoid skill gaps, adidas offers targeted functional learning, which content is continuously updated in collaboration with internal and external experts to reflect market trends and employee needs. adidas ensures that its employees are equipped to perform and adapt in a fast-changing market through regularly reviewed and updated learning programs.
- **Global High Potential (GHIPO) Program:** The GHIPO program gives us the opportunity to identify and develop global leaders who are ready to step up their leadership responsibilities. It aims to strengthen the participants' business acumen skills, build peer relationships, and provide cross-functional and cross-cultural exposure. Through continuous investment in the growth and development of GHIPO participants, adidas strengthens its leadership succession pipelines across global and local levels. This investment in talent development helps employees enhance their performance and career growth, leading to increased loyalty and retention.
- **adidas 360°:** This tool involves soliciting feedback from multiple sources, including managers, direct reports, and other stakeholders, to gauge how senior leadership's behavior is perceived. It provides valuable and critical feedback, driving both professional and organizational growth.

Our informal initiatives include a global mentoring program and networking through the adidas Virtual Café. These learning offerings enable employees to connect with others with similar interests and development

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goals. When participating in our informal learning offerings, over 90% of employees said it made them feel more connected to the people and culture at adidas and would recommend the program to others.

Our global performance development approach, #MYBEST, continued to be a key enabler of our high-performance culture. In 2025, we focused on enhancing our quality performance conversations, enabling our people to set clear performance expectations, engage in continuous feedback, and provide holistic, fact-based, and inclusive assessments.

Employee learning opportunities are aligned with adidas' strategic objectives and cultural mindset, as identified through learning needs assessments conducted by academies and senior business stakeholders. We also use employee surveys to capture relevant insights. Every year, we conduct interviews and present a summary of findings to senior stakeholders to prioritize additions to our learning portfolio for the year.

Employment and inclusion of persons with disabilities

At adidas, we are committed to fostering an inclusive work environment where every individual is treated with dignity and respect. We actively work to prevent discrimination of any kind, whether based on gender, socio-economic background, beliefs, or other personal characteristics. To address this, adidas has introduced education and upskilling sessions for leaders, equipping them with inclusive leadership competencies. 'Leading with Inclusion' program's impact since beginning of 2025 is reflected in the following results:

- over 160 (2024: 160) executives (S level) successfully completing the Inclusion for Transformation workshops
- over 600 (2024: 300) leaders of our middle management (M1 and M2 level) have also participated in and completed the Managing Inclusion workshops
- adidas introduced self-service options to ensure all employees are aware of the basics of inclusion and belonging through the availability of various learning resources and tools.

Our Executive Council for Inclusion and Belonging comprises a diverse group including all members of the Executive Board and leaders from each market, and it has continued its work since 2024 to increase accountability for global initiatives, address emerging issues impacting our brand, and drive the execution of our inclusion and belonging strategy. Within their individual functions and markets, Council members have committed to providing solutions to inclusion and belonging challenges and identifying and removing cross-functional and market barriers.

adidas has identified the risks of not addressing diversity, which include losing competitiveness in the job market. We are continuing a disability hiring project led by HR Talent that will address these risks. It will allow us to evaluate options, collect and monitor disability related diversity data globally and locally to understand representation, increase disabled representation in a legally compliant manner, and ensure workspaces are inclusive to disabled employees. We consider external benchmarks and developments when setting goals and defining the relevant measures. In addition to complying with local legislation, this project will help create a greater sense of belonging among employees.

Measures against violence and harassment in the workplace

adidas leverages various tools to resolve negative impacts on its workforce relating to violence, harassment, discrimination, and retaliation. These tools include coaching, mediation, intervention, and investigation. Globally, all HRBPs are trained in using these tools on an annual basis. The HR Employee Relations team and relevant HRBPs are responsible for ensuring that any potential situation is remediated using the most appropriate conflict resolution tool. More information is provided in this chapter:

► SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

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To uphold a safe and inclusive workplace, discrimination and harassment cases are followed up with impacted individuals and tracked. This tracking enables a proactive analysis to help us identify trends and areas for improvement.

Diversity

adidas is committed to fostering a culture of inclusion and belonging to ensure we continually attract, develop, and retain top talents from our diverse markets. Through structured initiatives such as targeted leadership programs, recruiting efforts, and employee-led groups, we create equal opportunities for all employees to thrive.

- ‘ElevateHer’ is a one-year accelerated journey to develop and advocate for the advancement of talented and high-potential women. It offers sponsorship, exposure and connection opportunities, and practical learnings to amplify skillsets and confidence. We launched the program in October 2024 across all our markets and paired each of the 82 participants with a senior leader. ElevateHer opens doors to new opportunities, and advocates for participants’ growth within our organization. The program tracks the participants’ retention and development rates (both vertical and horizontal) compared to the rest of the organization. The first round of the program concluded in October 2025, marking a successful pilot in which 20% of the participants experienced growth or career advancement. Based on this strong outcome, the program will continue in 2026.
- We continued supporting and expanding our ERGs throughout the company by developing a new framework and operating model. ERGs are employee-led networks that give employees with differing backgrounds and perspectives communities of belonging and togetherness. We have 34 ERGs worldwide, as well as diversity ambassador teams focused on diversity dimensions such as ethnicity, gender, LGBTQIA+, experienced generation, faith, disability, and mental health. Participation in these groups is voluntary and open to all employees.
- Since 2022, our HR team has been committed to delivering three ‘cultural moments’ globally, in addition to any relevant local moments. We activate against the following global moments:
 - March – International Women’s History Month
 - June – Pride
 - October – Global Week of Inclusion

Each of these cultural moments is structured around three consistent components that shape our global storytelling and employee engagement approach: inform (updates on progress and new initiatives), inspire (panel talks, videos, articles, and immersive experiences), and educate (inclusion and belonging training materials for employees).

- Local moments vary by market and by year and include Lunar New Year, Asian American and Pacific Islander Heritage Month, Black History Month (in the United Kingdom, Netherlands, and US), International Day against Homophobia and Transphobia, Juneteenth, Latin Afro-American, Afro-Caribbean, and Diaspora Women’s Day, Amsterdam Pride, Hispanic Heritage Month, World Mental Health Day, Race Day, Transgender Day of Remembrance, and International Day of People with Disabilities. In addition, we acknowledge other cultural moments on an ad-hoc basis through a channel on our internal social media tool.

adidas uses HR management reports to track progress monthly. This data provides insights into the achievement of targets and identifies any emerging issues, such as shifts in female senior leadership representation. We also conduct comprehensive equal pay reviews to monitor gender pay equity.

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Processes through which adidas identifies what action is needed and tracks the effectiveness of the actions

adidas regularly reviews key HR KPIs, such as recruitment experience, engagement, women in leadership, and training participation, to guide strategic actions. Senior management evaluates performance trends and initiates targeted measures when needed.

The ELS survey provides team-level feedback on areas managers can directly influence. Results guide local action planning, supported by tailored resources. By analyzing action plans and conducting interviews, we identify trends and gaps, enabling accountability, targeted support, and continuous improvement. With the current change in the company's operating model, the approach is being redesigned to enable markets to take more tangible actions based on the ELS result. The new approach allows for further flexibility and localization of the survey, insights, and actions. The new approach was piloted in two markets in 2025 to gather additional feedback and tailor it further to local needs before launching it globally to all regions later in 2026.

Enterprise-wide risk management procedures further support decision-making through semi-annual assessments of risks and opportunities across areas like health and safety, diversity, skills development, and inclusion. When current measures fall short, additional actions are implemented. Review outcomes are shared with senior leadership and inform our materiality analysis for the Sustainability Statement, reinforcing adidas' commitment to transparency, data-driven decisions, and continuous progress.

▶ SEE RISK AND OPPORTUNITY REPORT

How adidas ensures that its own practices do not cause or contribute to material negative impacts on its own workforce

The Global Privacy Management Policy states our privacy ambition: adidas is committed to complying with all relevant privacy laws and regulations and will actively work to identify and close privacy gaps.

The following internationally recognized privacy principles are part of our Global Privacy Framework and shall be applied in the light of applicable local privacy law and regulations:

- **Accountability:** The Global Privacy Framework ensures alignment between business strategy and privacy principles and records how we implement the Executive Board's privacy commitment.
- **Lawfulness and fairness:** We are committed to lawful, fair, and transparent processing that ensures individual rights can be effectively exercised.
- **Purpose specification and limitation:** We will ensure our data collection and use is limited to appropriate and defined purposes.
- **Data minimization:** Personal information we collect will be limited to meet the purpose of the collection and we will consider pseudonymization, if and where appropriate.
- **Use and disclosure:** We will establish a culture and practice of respecting privacy in the way we use and share personal information, both within adidas and with third parties.
- **Security:** We will implement appropriate technical and organizational safeguards to assure the integrity, availability, and confidentiality of personal information we store and process.
- **Data management:** Our data management capabilities will ensure adequate data quality, avoid excessive data retention, and enable privacy principles from a technical perspective.

Any activity that could or does involve the processing of personal information must complete a Privacy Impact Assessment to identify significant privacy risks in high-risk processing activities, define measures to mitigate these risks, identify further privacy requirements imposed by local laws or regulations, and convert risk-mitigating measures and further requirements or opportunities into comprehensive implementation criteria to be signed-off and implemented by the Privacy Action Owner. The Global Privacy Officer is responsible for taking action in the event of a privacy breach.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Working conditions

Health and safety

The development of our workforce health and safety targets is guided by our H&S Manual, ISO 45001 (Occupational H&S Management System) certification, and the ESRS. The certification of ISO 45001 is issued by the German accreditation office DAkkS (Deutsche Akkreditierungsstelle), and the compliance with the standard is audited by an external auditor. The 2025 targets were developed in cross-functional and global working groups involving multiple stakeholders. Additional KPIs were formulated within the health and safety network across all markets and global HSEE team and were agreed upon and approved. Every location tracks its own performance. We monitor performance against current data and continuously enhance our insights through the HSEE operations data strategy. 2026 marks the conclusion of our 2025 targets and the launch of our next five-year objectives with targets for 2030.

► SEE ESRS S1-14 – HEALTH AND SAFETY METRICS

Equal treatment and opportunities for all

Women in leadership

adidas is committed to increasing female representation in leadership positions and furthering equal employment opportunities. We have established a policy and set measurable, aspirational targets to help us realize our ambitions for gender balance. We are committed to increasing the global share of women in leadership positions (Director level and above) to achieve a gender balance of 50% by 2033, from a 2023 baseline of 39.6%.

► SEE ESRS S1-9 – DIVERSITY METRICS

Data on women in leadership is tracked monthly and on a quarterly basis to understand pipeline issues. Progress toward our women in leadership ambition is shared annually with all employees during Women's History Month and reviewed quarterly to ensure ongoing monitoring of opportunities and challenges. As part of this ongoing transparency and engagement, the latest results were also shared with all employees in March 2025.

Equal pay

adidas has set a global target of maintaining the equal pay gap level below 5%, which is supported by our Rewards Strategy. Based on our current calculation methodology, our current overall equal pay gap is below 1%, and we are committed to reducing it further. This target is tracked continuously. Equal pay gap is an aggregated like-for-like comparison which considers employees in the same country and on the same grade.

Maintaining close collaboration between involved functions (HR Rewards, HR Talent, and HR Business Partners) as well as investing in a specific internal reporting tool will continue to help us expand our

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methods and analyses toward more granular population data, calculate investment budgets, and invest in salary adjustments to close existing gaps, where needed.

► SEE ESRS S1-16 – REMUNERATION METRICS

S1-6 – Characteristics of the undertaking’s employees

The total number of employees, reported by headcount and broken down by gender, can be found in the table below.

S1-6 – Employees by headcount by gender

	Headcount	
	2025	2024
Gender		
Male	31,302	30,134
Female	33,586	31,880
Other	23	—
Not disclosed	27	21
Total	64,938	62,035

The total number of employees, reported by headcount and broken down by gender, and limited to countries where adidas has 50 or more employees, which represent at least 10% of the total global workforce, can be found in the table below.

S1-6 – Employees by headcount in specific countries

Country	Female		Male		Other		Not disclosed	
	2025	2024	2025	2024	2025	2024	2025	2024
China	5,534	5,311	2,340	2,355	—	—	—	—
Germany	4,411	4,472	3,948	3,947	2	—	3	4
United States of America	5,029	4,775	5,645	5,529	—	—	23	8

The tables below present the total number of employees by headcount, along with a breakdown by contract type. Additional details on gender and country distribution are also provided.

S1-6 - Information on employees by contract type, broken down by gender

	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees by headcount										
Number of permanent employees	31,373	30,106	29,139	28,429	22	—	25	20	60,559	58,555
Number of temporary employees	2,213	1,774	2,163	1,705	1	—	2	1	4,379	3,480
Number of full-time employees	24,509	23,172	23,950	22,863	21	—	7	10	48,487	46,045
Number of part-time employees	9,077	8,708	7,352	7,271	2	—	20	11	16,451	15,990
Number of non-guaranteed hours employees	1,958	2,591	2,212	3,160	3	—	7	3	4,180	5,754
Total	33,586	31,880	31,302	30,134	23	—	27	21	64,938	62,035

S1-6 - Information on employees by contract type, broken down by region

	Emerging Markets		Europe		Greater China		Japan/ South Korea		Latin America		North America		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees by headcount														
Number of permanent employees	12,128	10,855	17,445	17,402	8,993	8,713	3,931	3,906	6,708	5,985	11,354	11,694	60,559	58,555
Number of temporary employees	1,291	1,412	1,371	1,068	5	5	465	330	334	346	913	319	4,379	3,480
Number of full-time employees	11,239	10,251	13,230	13,420	8,996	8,690	2,741	2,640	6,105	5,023	6,176	6,021	48,487	46,045
Number of part-time employees	2,180	2,016	5,586	5,050	2	28	1,655	1,596	937	1,308	6,091	5,992	16,451	15,990
Number of non-guaranteed hours employees	604	778	27	223	—	2	—	—	—	—	3,549	4,751	4,180	5,754
Total	13,419	12,267	18,816	18,470	8,998	8,718	4,396	4,236	7,042	6,331	12,267	12,013	64,938	62,035

The numbers are reported in headcount and extracted from the central system. They reflect the actual headcount as of December 31, 2025.

Our part-time employment contracts often include employees who, due to different circumstances, require flexibility around their working time. Part-time work is an effective way to balance professional and family responsibilities as outlined in our Job Security Company Agreement.

▶ SEE ESRs S1-4 – TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MANAGING MATERIAL RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

Employees with non-guaranteed hours are not contractually entitled to a minimum or fixed number of working hours. While they may be expected to remain available for work as needed, the employer is under no obligation to provide consistent scheduling. As shown in the table, this type of employment is not widely practiced at adidas and tends to be more prevalent in specific markets, such as North America and certain emerging regions, due to local employment customs and regulatory frameworks.

During the reporting period, a total of 16,994 (2024: 17,711) employees left adidas, resulting in an employee turnover rate of 27.6% (2024: 30%). This total figure reflects terminations across all four employee groups – Corporate, Distribution Center, Production, and Retail.

S1-6 - Terminations

	2025	2024
Terminations		
Corporate	2,140	2,564
Distribution Center	1,255	1,384
Production	39	59
Retail	13,560	13,704
Total	16,994	17,711

Data is sourced from the company’s global HR system as of December 31 of the respective year. The termination date reflects the final day of the contractual employment relationship. Terminations encompass both voluntary (employee-initiated) and involuntary separations, including those initiated by adidas or resulting from the death of an employee. Turnover is calculated across the reporting period by dividing the total number of terminations over the course of a calendar year by the average headcount for a given calendar year.

The following tables provide an overview of adidas’ full- and part-time employees, broken down by gender and region.

S1-6 - Breakdown of adidas full-time employees by gender and region

Region	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Emerging Markets	4,792	4,299	6,431	5,951	16	—	—	1	11,239	10,251
Europe	6,400	6,455	6,823	6,958	4	—	3	7	13,230	13,420
Greater China	6,125	5,862	2,871	2,828	—	—	—	—	8,996	8,690
Japan/South Korea	1,238	1,153	1,503	1,487	—	—	—	—	2,741	2,640
Latin America	2,875	2,360	3,229	2,662	1	—	—	1	6,105	5,023
North America	3,079	3,043	3,093	2,977	—	—	4	1	6,176	6,021
Total	24,509	23,172	23,950	22,863	21	—	7	10	48,487	46,045

S1-6 - Breakdown of adidas part-time employees by gender and region

Region	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Emerging Markets	1,171	1,069	1,009	947	—	—	—	—	2,180	2,016
Europe	3,647	3,401	1,937	1,648	2	—	—	1	5,586	5,050
Greater China	2	19	—	9	—	—	—	—	2	28
Japan/South Korea	1,010	1,002	645	594	—	—	—	—	1,655	1,596
Latin America	500	628	437	678	—	—	—	2	937	1,308
North America	2,747	2,589	3,324	3,395	—	—	20	8	6,091	5,992
Total	9,077	8,708	7,352	7,271	2	—	20	11	16,451	15,990

S1-8 – Collective bargaining coverage and social dialogue

The percentage of adidas employees covered by collective bargaining agreements is at 22% (2024: 18%).

Data on collective bargaining coverage is collected at a country level. With a status as of November 30, 2025, the number of employees covered by a collective agreement is provided by the designated HR lead within each respective legal entity. The list of adidas legal entities is sourced from the Supervisory Board Office and cross-referenced with the previous year’s data to ensure accuracy and completeness. Oversight of this metric is maintained by an HR team based at headquarters, ensuring global alignment and governance.

Following the ESRS requirement, significant workforce in a specific country is defined as having at least 50 employees by headcount, representing at least 10% of the company’s total number of employees.

Collective bargaining agreements in the European Economic Area (EEA)

adidas has a significant number of employees in only one country within the European Economic Area (EEA) - Germany. Accordingly, collective bargaining coverage aligns with the German context and stands at 57.6% (2024: 53.3%). For the remaining employees subject to the German Co-Determination Act, agreements are in place with local works councils to ensure representation and compliance. Collective bargaining rights apply to all professional and management employees (P- and M-level grades), while executive employees (S-level grades) are governed by individual contractual arrangements and internal policies. adidas decided to change its membership in the employers' association HDS/L to a non-tariff-binding membership, effective September 2025. This change had no direct impact on the employee’s terms of employment and did not affect the collective bargaining coverage rate.

Outside of Germany, procedures are aligned with respective national legislation, ensuring local compliance and consistency in employee representation.

Collective bargaining agreements outside of the European Economic Area (EEA)

China and the USA are non-EEA countries with a significant adidas workforce. The adidas workforce in these countries is not covered by collective bargaining agreements.

S1-8 – Collective bargaining coverage

	Collective bargaining coverage – Employees EEA		Collective bargaining coverage – Employees non-EEA	
	2025	2024	2025	2024
Coverage rate				
0 – 19%			China, United States of America	China, United States of America
20 – 39%				
40 – 59%	Germany	Germany		
60 – 79%				
80 – 100%				

S1-9 – Diversity metrics

In 2025, we continued to advance our inclusion and belonging efforts. In line with our global ambition to achieve gender balance in leadership positions by December 31, 2033, we further strengthened the pipeline of female talent for senior roles across all markets. As of December 31, 2025, women held 40.7% of leadership positions at Director level and above globally, with 1,377 (2024: 1,441) women and 2,004 (2024: 2,097) men in these positions. The proportion of female executives (S-level leaders) remained stable in 2025 compared to the previous fiscal year, reflecting a sustained commitment to achieving gender balance at the highest levels of leadership.

The following table provides an overview of the distribution of employees by age group, divided into the categories of under 30 years old, 30-50 years old, and over 50 years old:

S1-9 – Distribution of employees by age group

Age groups	Percentage	
	2025	2024
<30	43%	42%
30 – 50	51%	51%
>50	6%	6%
Total	100%	100%

The methodology is the same as described above regarding the characteristics of adidas’ workforce.

S1-10 – Adequate wages

All adidas employees are paid an adequate wage.

We mainly used data of our own HR systems and other available data sources.

S1-14 - Health and safety metrics

S1-14 - Health and safety metrics and targets

	2025 target	2025	2024
H&S management system coverage (internally audited and/or 3rd-party certified)			
Corporate and DCs (globally): own employees covered by a H&S management system	100%	100%	96%
Own retail stores (globally): own employees covered by a H&S management system	n.a.	17%	10%
Own retail stores (Europe): own employees covered by a H&S management system	100%	100%	n.a.
Fatalities			
Number of fatalities as result of work-related injuries and work-related ill health	0	0	0
Accidents			
Number and rate of recordable work-related accidents with lost days (LTIR) ¹	<2.0 ²	151; 1.45	143; 1.37
Ill health			
Number of recordable work-related ill health	0	0	0
Days lost			
Number of days lost to work-related accidents, ill health, and fatalities ²	continuous improvement	2,474	2,366

1 In 2024, data excluded business travel. Work-related accidents for own retail stores were only reported from June 2024.

2 Target applies to LTIR – rate of recordable work-related accidents with lost days.

Explanatory notes on our reported health and safety metrics and targets

H&S Management System coverage:

- Scope: corporate buildings and DCs, including back office retail (globally) $\geq 4,500$ sqm or ≥ 50 employees; 100% European own retail stores/showrooms
- Calculation for both corporate buildings and DCs (globally) and global/European own retail stores/showrooms: number of employees covered by ISO 45001 H&S management system divided by total number of employees multiplied by 100

Fatalities:

- Scope: all employees and other workers operating at the company’s sites

Accidents:

- Scope: all employees
- Calculation for LTIR: number of work-related injuries with one or more lost days (excluding commuting, sport, and event accidents) per month multiplied by 1,000,000 hours divided by total working hours per month – the total rate is the average out of all the rates for twelve months

Ill health:

- Scope: all employees

Days lost:

- Scope: all employees
- Calculation: sum of lost days to work-related accidents (excluding commuting, sport, and event accidents), ill health and fatalities

S1-16 – Remuneration metrics (pay gap and total remuneration)

Pay gap

We are committed to fostering a culture of gender equality and equal pay for equal work. Therefore, we have developed and implemented the various policies, actions, and targets outlined in this report. To measure our progress and ensure we make well-informed decisions, it was first necessary to have clearly defined metrics and an in-depth understanding of the generated data.

Following our commitment to equal pay for equal work, we first calculated the equal pay gap. It provides a like-for-like comparison that considers employees in the same country and on the same grade. Then applying a weighted average to all calculated pay gaps leads to an overall aggregated equal pay gap of below 1.0% (2024: <1.0%). This result highlights our efforts to achieve pay equity and our commitment to addressing any disparities.

However, the pay gap calculation logic as per the ESRS is based on a ‘gender pay gap,’ expressed as per below formula:

$$\frac{\text{(Average gross hourly pay level of male employees - average gross hourly pay level of female employees)}}{\text{Average gross hourly pay level of male employees}} \times 100$$

The result of this formula reflects the average pay difference between male and female employees, expressed as percentage of the average pay level of male employees across all functions, countries, and grades of our organization. The resulting gender pay gap according to ESRS is 12.4% (2024: 13.3%), mainly influenced by our share of women in leadership positions. If this share grows while we strive to achieve our women in leadership ambition, the gender pay gap according to ESRS is expected to decline, while an equal pay gap may be relatively insensitive to it.

We used our employees’ hourly contractual/target Total Direct Compensation (TDC) data as per the key date of December 31, 2025. All active employees were included.

Total remuneration

To calculate the total remuneration metric, the median compensation of all employees was determined based on their annual contractual/target direct compensation (TDC), i.e., contractual base pay, target short term bonus (STI), and target long term bonus (LTI). We used our employees’ annual contractual/target TDC data as per December 31, 2025, projected to a full time employment. All active employees were included. All remuneration components (including typical benefits in cash/in kind) were then determined for the person with median remuneration. We then compared the total actual remuneration of this person with the total actual remuneration of the highest paid individual in 2025. Per the Disclosure Requirements of ESRS, the following formula is applied for the annual total remuneration ratio:

$$\frac{\text{Annual total remuneration for the undertaking's highest paid individual}}{\text{Median employee annual total remuneration (excluding the highest - paid individual)}} \times 100$$

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Based on the above formula, the annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees is 185 (2024: 177). This ratio is heavily influenced by adidas' global footprint and the high share of retail-related roles within the company. When comparing total actual remuneration to the average among employees in Germany in 2025, as disclosed in our Compensation Report, the ratio is 61 (2024: 63). Due to our workforce in many locations around the world being paid in multiple currencies, the remuneration metrics under S1-16 are also influenced by year-on-year changes in foreign exchange rates.

► [ADIDAS-GROUP.COM/COMPENSATION](https://www.adidas-group.com/compensation)

S1-17 - Incidents, complaints, and severe human rights impacts

In total there were 1,415 (2024: 1,246) incidents filed (via the Fair Play channels) relating to our own workforce in 2025. Of these, 1,254 (2024: 1,049) incidents (including harassment and discrimination) relate to working conditions or aspects that fall within the scope of ESRS S1-17.

In 2025, 182 (2024: 145) discrimination-related incidents were recorded, including harassment. This total comprises 108 (2024: 86) reports of harassment and 74 (2024: 59) reports of discrimination. Each case was thoroughly investigated in line with internal protocols. Following these investigations, 26 (2024: 22) harassment cases and 21 (2024: 15) discrimination cases were substantiated within adidas' own operations. Confirmed incidents were addressed in accordance with our Consequence Management Policy, underscoring our commitment to fostering a respectful, inclusive, and safe workplace environment.

In the context of the stated incidents, there were no material fines, penalties, compensation for damages, or sanctions imposed on the company in 2025.

adidas is made aware of any incidents or concerns through our Fair Play channel. This channel can be used by employees and external stakeholders to raise any kind of concerns, including human rights violations. The information on incidents raised, investigations conducted, and their outcomes is maintained in our Case Management System (CMS). The CMS data can be extracted to report on incidents and outcomes. Every year, all market/country legal representatives are asked to confirm any fines, sanctions, or compensations paid in the year under review. This can be compared to CMS data to ensure accuracy and completeness.

ESRS S2

Workers in the Value Chain

We recognize the importance of operating responsibly along the entire value chain by safeguarding the rights of the workers who manufacture our products. We apply our influence to affect change wherever we cause or contribute to human rights impacts, or where human rights issues are linked to our business activities.

We focus our due diligence on the upstream value chain, where the most significant impacts on workers occur. We have identified risks and negative impacts related to secure employment, excessive working hours, fair wages, social dialogue, health and safety, gender equality, equal pay for equal work, violence in the workplace, diversity, and the risk of child and forced labor.

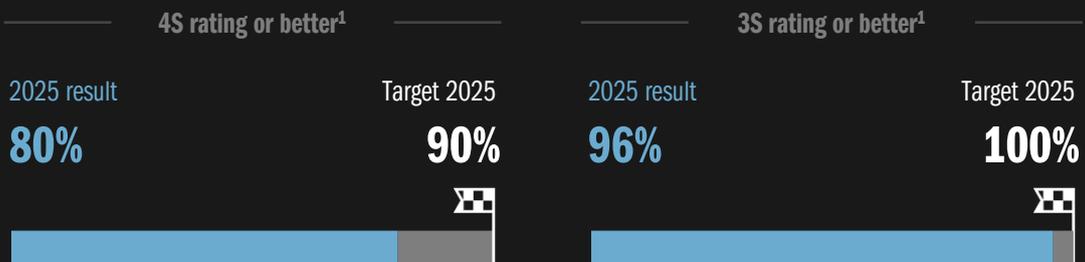
At the same time, we have identified positive impacts and opportunities, particularly for Tier 1 and Tier 2 workers, to strengthen employment stability and security, improve worker-management dialogue, and expand access to training and skills development.

Targets

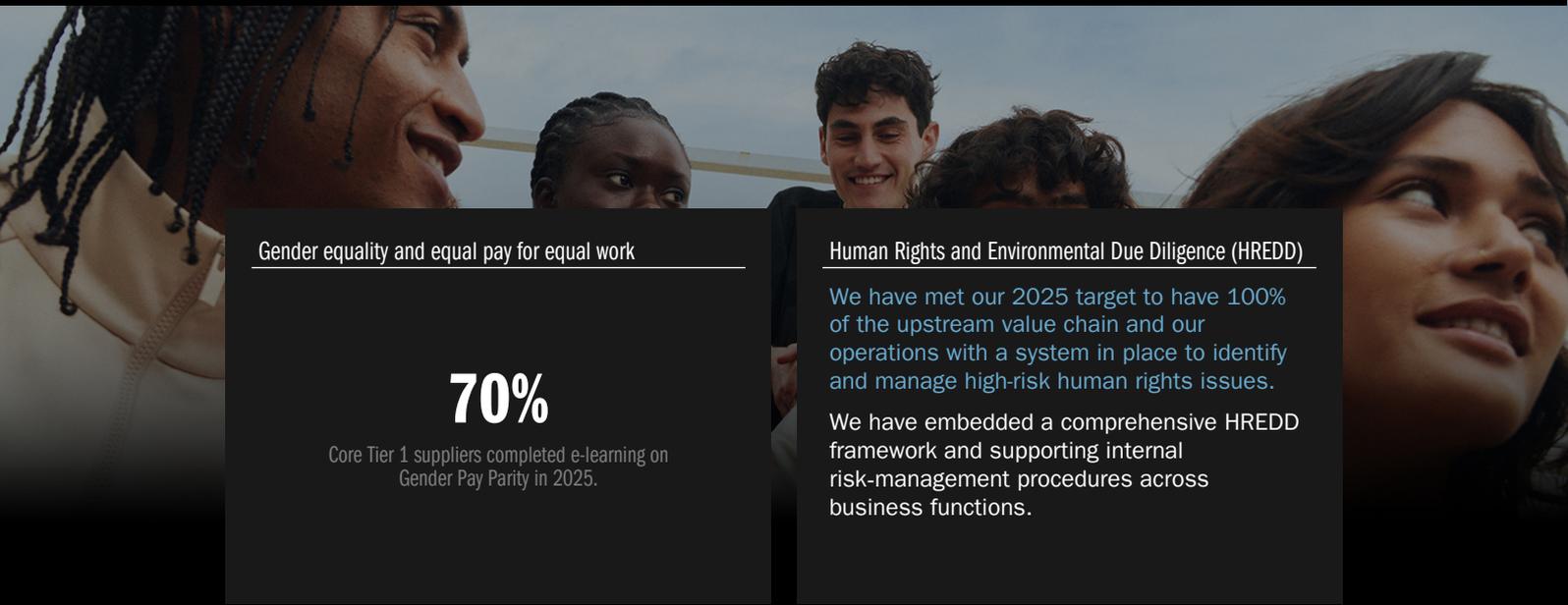
We have set specific social targets to be achieved by 2025, which aimed at reducing negative material impacts and risks and advancing positive impacts and opportunities for workers in our value chain.

Social impact (S-KPI)¹

The social impact rating helps us track impacts on workers in the supply chain, including the areas of health and safety, wages, gender equality, and working hours.



¹ On a scale of 1S to 5S, with 5S being the highest rating.



Gender equality and equal pay for equal work

70%

Core Tier 1 suppliers completed e-learning on Gender Pay Parity in 2025.

Human Rights and Environmental Due Diligence (HREDD)

We have met our 2025 target to have 100% of the upstream value chain and our operations with a system in place to identify and manage high-risk human rights issues.

We have embedded a comprehensive HREDD framework and supporting internal risk-management procedures across business functions.

Key metrics and actions

The program activities and actions we have taken in 2025 have generated positive outcomes for workers in our supply chain, with measurable impacts.

Workers Voice (WOVO) grievances

47,200

human and labor rights complaints were shared by workers through the WOVO platform

99%

of these complaints were successfully closed by the end of 2025

Women leadership program

1,600

Female supervisors from 80 factories in 6 countries (Vietnam, Indonesia, India, Myanmar, China and Cambodia) participated

500

Female supervisors have been promoted to higher positions because of their participation in the program

Gender equality program

51,000

Workers participated in the Gender Equality worker survey in 2025

87

Favorable responses to the Gender Equality worker survey (average score, on a scale of 100)

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ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The results of our double materiality assessment concerning material impacts, risks and opportunities for matters related to workers in the value chain have informed and shaped our business model, such as our sourcing activities, our choice and retention of business partners, and our reputation as a responsible company. For example, for sourcing activities, we strengthened partner selection criteria by integrating human rights due diligence requirements and prioritizing suppliers with proven social compliance performance.

The material impacts, risks and opportunities (IROs) we have identified – which are linked only to workers in the upstream value chain – are outlined in the table below. We have identified negative impacts in areas such as secure employment, working hours, fair wages, social dialogue, health and safety, gender equality, equal pay, workplace violence, diversity, child labor, and forced labor. At the same time, we see positive impacts and opportunities – especially for Tier 1 and Tier 2 workers – in areas like secure employment, social dialogue, and training and skills development.

To ensure business resilience, adidas applies structured risk assessments and enforces robust human rights due diligence processes. These actions mitigate disruptions and enhance supplier relationships, while also generating positive impacts for workers and driving long-term resilience. More details are provided here:

▶ SEE ESRS S2-4 – TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS

SBM-3 – Workers in the value chain and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Secure employment	Negative Impact	Actual	n.a.	Upstream	For suppliers with a high dependency on adidas orders, demand volatility and changes in business volume have a potential negative impact on job security (i.e., triggering layoffs) or reduced working hours and take-home pay.
Secure employment	Positive Impact	Actual	n.a.	Upstream	adidas Workplace Standards limit short-term contracting in favor of permanent employment, increasing workers' job security and their access to higher pay and benefits, as well as improving the protection of their legal rights. The manufacturing of footwear and apparel products creates a net benefit by generating employment for workers along the entire value chain.
Working time	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers if overtime exceeds legal norms or international standards, which would mean breaching adidas' Workplace Standards.
Adequate wages	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers in instances where they do not receive at least their legal minimum wages and benefits. The risk of this impact occurring is greatest in countries with weak enforcement of wage and social security regulations, or a lack of effective minimum wage setting mechanisms and social protections.
Social dialogue, freedom of association and collective bargaining	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers if there exist unlawful limits or prohibitions on their right to form or join trade unions, to engage in collective bargaining, or to exercise the right to strike, and/or if they experience trade union membership used as grounds for unjustified discrimination or retaliation.
Social dialogue, freedom of association and collective bargaining	Positive Impact	Actual	n.a.	Upstream	adidas generates positive impacts for workers by taking action to avoid restrictions on workers' freedom of association and collective bargaining rights to which they are legally entitled under the laws of the countries in which they operate. adidas supports social dialogue between governments, employers, and workers' representatives, including trade unions.

SBM-3 – Workers in the value chain and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Health and safety	Negative Impact	Actual	n.a.	Upstream	Workplace accidents or work-related health hazards due to the nature of the work, such as use of machinery or handling chemicals, negatively impact workers. The most severe impacts are those that cause serious injury, illness, or death. Such impacts are more likely in countries where there is weak regulatory enforcement or inadequate monitoring of safety standards.
Working conditions ¹	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding secure employment, working time, adequate wages, social dialogue, freedom of association and collective bargaining, health and safety. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.
Gender equality and equal pay for work of equal value	Negative Impact	Actual	n.a.	Upstream	Negative impacts on workers – particularly female – occur when they do not receive equal pay for work of equal value and/or face other forms of gender discrimination. Negative impacts also occur in cases where suppliers fail to comply with our Workplace Standards that state, e.g., 'workers must not be discriminated against on the basis of their gender, marital status, or because they are pregnant or breastfeeding.'
Training and skills development	Positive Impact	Actual	n.a.	Upstream	adidas provides training and skills development for workers in the supply chain that support positive outcomes such as long-term career progression, job security and stability, which in turn advances local livelihoods. In our supply chain, we have provided training programs to advance skills development as part of our supervisor training and women empowerment initiatives.
Measures against violence in the workplace	Negative Impact	Actual	n.a.	Upstream	In cases where workers face physical, verbal, or mental abuse, which may include cruel, inhumane, or degrading treatment, and/or damage to life or limb, there are material negative impacts. Such impacts are a direct violation of our Workplace Standards.
Measures against violence in the workplace	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding violence in the workplace. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.
Diversity	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers' equal opportunities if any form of discrimination in employment occurs, based on protected characteristics like skin color, religion, beliefs, gender identification, or discrimination against vulnerable groups such as migrant workers or female workers.
Child labor	Negative Impact	Potential	Short-term	Upstream	Instances of child labor – while rare – adversely impact children's rights, their access to and outcomes of education, and the best interests of the child. This is a zero-tolerance issue that is prohibited in our own operations and those of our business partners, however, it remains a potential risk in the upstream supply chain, in particular at the raw material level.
Forced labor	Negative Impact	Potential	Short-term	Upstream	Compelling a person to work involuntarily through force or intimidation of any kind, including all forms of slavery or practices akin to slavery, prison labor, indentured labor, or bonded labor, is a zero-tolerance issue and is strictly prohibited in our own operations and those of our business partners. However, it remains a potential risk in the upstream supply chain, in particular at the raw material level.
Child labor and forced labor	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding child and forced labor. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.

¹ Working conditions include secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, and health and safety.

Material risks

To address material risks and monitor compliance with our human rights standards, adidas conducts systematic monitoring through:

- Supply chain risk mapping
- Regular social compliance audits
- Worker feedback via surveys and grievance mechanisms
- Responsible purchasing practices
- Ongoing engagement with stakeholders, including civil society organizations, trade unions, and governments

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We also perform annual risk assessments in high-risk sourcing countries and monitor suppliers for human rights, labor rights, and environmental compliance. Country and factory profiles guide issue prioritization and determine the frequency of audits and remediation efforts.

Impacts, risks, and opportunities management

S2-1 - Policies related to value chain workers

Our Human Rights Policy outlines our commitment to respecting and promoting human rights across our upstream value chain and own operations. Our Human Rights Policy identifies salient human rights risks, including: labor rights, wages, discrimination and harassment, freedom of association and collective bargaining, child labor, forced labor and human trafficking as well as occupational health and safety.

Our commitment is implemented through our Human Rights and Environmental Due Diligence (HREDD) system and supported by key policies, including the adidas Workplace Standards – our supply chain code of conduct outlining our expectations on human rights and employment standards, including those regarding forced labor, child labor, discrimination, wages, benefits and compensation, working hours, freedom of association and collective bargaining, worker health and safety, and environmental practices.

The policies in the table below are grounded in international standards such as the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and related conventions, the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises. While adidas maintains robust human rights due diligence processes and risk mitigation measures, cases of non-respect of international labor standards in the upstream value chain can occur and have occurred during the reporting period. These include: unauthorized subcontracting, fraudulent practices (e.g., double bookkeeping, falsified wage documents), repeated wage and benefit violations, non-compliance with minimum wage and overtime laws, health and safety breaches including a fatality, and instances of gender-based violence. All cases triggered formal remediation and enforcement mechanisms, including 21 warning letters (17 ‘Warning Letters 1’, four ‘Warning Letters 2’) issued to suppliers.

These enforcement actions reflect our commitment to uphold the UNGPs, ILO Declaration, and OECD Guidelines across the supply chain. They also reflect our obligations under the ‘Lieferkettensorgfaltspflichtengesetz (LkSG)’ – the German Supply Chain Due Diligence Act. All remediation efforts are integrated into adidas’ human rights due diligence system to ensure accountability and continuous improvement.

We have established our Human Rights and Environmental Due Diligence (HREDD) framework to guide internal risk assessment and risk management processes in accordance with the international standards mentioned above. This framework is in line with our Human Rights Policy commitments and other regulatory obligations, including the LkSG. For an overview of our Human Rights and Environmental Due Diligence (HREDD) processes, please refer to:

▶ SEE ESRS G1-2 - MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

S2-1 – Policies related to workers in the value chain

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Workplace Standards (HR, WC, ET)	Sets contractually binding requirements applicable for our suppliers, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO Declaration, model code of conduct of the World Federation of the Sporting Goods Industry	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Human Rights Policy (HR, WC, ET)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and Chief Human Rights Officer (CHRO)	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Responsible Sourcing & Purchasing Policy (WC)	Ensures that sourcing and purchasing decisions do not conflict with the fulfillment of the Workplace Standards	Upstream (incl. suppliers, licensees, sub-contractors)	SVP Product Development & Sourcing, VP Social & Environmental Affairs	Better Buying Institute; Fair Labor Association	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Modern Slavery Policy Framework & Implementation Strategy (HR)	Details how to eradicate forced labor and human trafficking from operations and supply chain.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	UNGPs, OECD MNE Guidelines	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Responsible Recruitment Policy (HR, ET, WC)	Outlines processes to eliminate the practice of migrant workers paying recruitment costs and fees to secure their employment.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	The Dhaka Principles for Migration with Dignity	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Guidelines on Employment Standards (HR, ET, WC)	Supporting guidelines to make the Workplace Standards understandable and provide additional guidance for suppliers to manage compliance concerning labor issues and solutions to more complex workplace issues.	Upstream	VP Social & Environmental Affairs	ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Health and Safety Guidelines (WC)	Provides health and safety guidelines to support suppliers to comply with the adidas Workplace Standards.	Upstream	VP Social & Environmental Affairs	ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
 WC – Working Conditions
 ET – Equal Treatment and Opportunities for All
 HR – Human Rights and Other Work-related Rights

S2-2 – Processes for engaging with supply chain workers about impacts

adidas has several processes for engaging with workers in our upstream supply chain – directly and indirectly – about actual and potential material impacts which may affect their health and safety, well-being, or may otherwise adversely impact their fundamental human and labor rights. Such processes ensure that workers can voice concerns and submit complaints or grievances related to material risks and impacts – as well as the full range of human rights and labor rights risks that workers in the upstream value chain may face.

Worker perspectives are integrated into adidas’ decision-making through continuous engagement with worker representatives, including civil society and trade unions, real-time feedback from WOVO (Workers’ Voice) grievance cases and Worker Pulse surveys, and systematic review by the Social & Environmental Affairs (SEA) team to inform sourcing practices, corrective actions, and strategic priorities.

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Regular engagement occurs with supply chain workers through processes such as the WOVO operational grievance mechanism and the Worker Pulse survey – conducted twice per year – as well as through regular engagement with their credible proxies or legitimate representatives via trade unions that are active in the manufacturing facilities.

▶ SEE ESRS S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

We also maintain an active and open dialogue with stakeholders – local and international non-governmental organizations (NGOs), labor rights and human rights advocacy groups, and trade unions, as well as investors, analysts, national and international government agencies, and academics – to better understand and address the most significant impacts on supply chain workers and improve our mitigation efforts. We actively seek stakeholder feedback through our annual stakeholder dialogue.

▶ SEE ESRS S2-4 – TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

We are committed to providing for or cooperating in the remediation of adverse impacts, including those which we have caused or contributed to through our business relationships. Whenever negative impacts are identified either through our audit process or through one of the various grievance channels available to workers, we engage directly with our business partners to support them in remediating the issue and addressing root causes within a specified period of time.

Monitoring suppliers’ social compliance – identifying negative impacts

adidas outsources most of its production and relies heavily on its upstream supply chain workforce. In 2025, we partnered with 444 Tier 1 manufacturing facilities (2024: 388) and their subcontractors across nearly 40 countries. Our supply chain spans multiple tiers and includes a diverse mix of directly contracted suppliers and indirect partners managed through intermediaries, licensees, and agents.

We monitor social compliance of suppliers with a multi-level monitoring and enforcement system guided by our policies. This approach helps us identify and address risks of harmful working conditions and human rights violations in our upstream value chain, shaping responsible business practices.

Beyond our suppliers, we also require our licensees – independent partners producing adidas products under license – to adopt our internal monitoring approach to ensure compliance across indirect supply chains. Audits are conducted by adidas-approved external monitors to verify the effectiveness of the compliance programs.

Managing supplier compliance – remediating negative impacts

When an audit identifies that a supplier is not compliant with one or more of the criteria in adidas’ Workplace Standards, a corrective action plan is developed in alignment with best practice guidance on remediation provided to suppliers. adidas provides or contributes to remedy for material negative impacts on value chain workers through these corrective action plans, and assesses effectiveness via verification in follow-up audits, via worker satisfaction surveys, and through key performance indicators such as case closure rates and recurrence reduction.

If the issues are not sufficiently addressed within the specified time, the supplier will either not be authorized for production if it is a newly proposed supplier or will trigger adidas’ enforcement process if it is an existing supplier. When suppliers fail to meet our Workplace Standards, we apply the sanctions and remedies from our Enforcement Guidelines.

▶ [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES](https://adidas-group.com/sustainability/policies)

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While we aim to support supplier improvement, unresolved severe or repeated non-compliance may result in contract termination, following our Termination Guideline, which ensures that the actions are undertaken in a transparent and ethical manner. When making such a decision, we always seek to balance the adverse impacts arising from the unresolved non-compliance against the impact of termination on workers, especially where layoffs may occur. Our Guidelines on Redundancy and Layoffs address risks to secure employment in such cases.

► [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES \(TERMINATION GUIDELINE\)](https://adidas-group.com/sustainability/policies) ► [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES \(REDUNDANCY AND LAYOFFS GUIDELINES\)](https://adidas-group.com/sustainability/policies)

For complex issues that require additional remedial action – such as child labor – we have developed specific guidelines for strengthening Human Resources (HR) systems at factory level to prevent child labor, ensure protection for juvenile workers, and to respond to violations by providing appropriate remedy, if they occur.

► [ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES](https://adidas-group.com/sustainability/policies)

Channels for workers to raise concerns

adidas provides multiple grievance channels for workers in our supply chain and external third parties to report grievances. These channels include:

- Workers' Voice (WOVO) – a digital operational grievance platform used across all core Tier 1 supplier facilities
- Worker Hotlines – direct communication managed by our Social & Environmental Affairs (SEA) department
- Complaint Procedure for Human Rights and Environmental Impacts – a confidential channel for anyone, including affected individuals, advocacy groups, and organizations to report human rights and environmental concerns linked to adidas' operations, products, or services.

Additionally, as part of our membership in the Fair Labor Association (FLA), any third party can report violations of workers' rights in adidas facilities via FLA's Third Party Complaint procedure.

► [FAIRLABOR.ORG](https://fairlabor.org)

We prohibit any form of retaliation against workers making complaints about their employment conditions or individuals or other third-party organizations raising issues related to human rights violations or environmental damage. This is clearly outlined in our Non-Retaliation clause in the Complaint Procedure for Human Rights and Environmental Impacts.

adidas suppliers are required to have grievance systems in place where workers can freely and – if they choose – anonymously submit any complaints or suggestions they may have. This includes the app-based WOVO platform. In 2025, workers submitted close to 47,200 human and labor rights complaints (2024: around 35,700), with 99% of these complaints resolved by year-end. Top issues included: internal communication (approximately 13,300), benefits (approximately 8,300) and general facilities (approximately 5,800). Worker satisfaction with case resolution rose from 39% in 2019 to nearly 79% in 2025, driven by faster response times – down from 49 hours in 2020 to under 11 hours in 2025.

Through close engagement and cooperation with suppliers, we have increased both awareness of and trust in the grievance mechanisms made available to workers, particularly the WOVO app. This is evident by the consistent, widespread usage of the app within our supply chain. We have progressively improved and expanded the use of this grievance mechanism, and in 2025, more than 402,500 workers employed in 92 manufacturing facilities across ten countries had access, covering 100% of our core Tier 1 manufacturing partners. adidas tracks the input received through the WOVO platform using KPIs and dashboard reviews,

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case satisfaction ratings, and on-site worker interviews. This enables real-time issue tracking, timely interventions, and insights into widespread, frequent, or systemic labor challenges. It also informs how factory management resolves cases and contributes to the supplier social impact (S-KPI) rating.

Workers in our supply chain also have access to worker hotlines managed by our SEA department. In 2025, we received a total of 65 individual complaints through the SEA worker hotlines from workers in 16 countries. The most common complaints were related to: employment practices (35%), compensation and benefits (29%), and discrimination and harassment (20%).

Complementing our grievance channels, we use the Worker Pulse survey to capture workers' perception and awareness of their labor rights. In 2025, 96 facilities in 13 countries participated, with favorable responses rising from 78% in 2020 to nearly 91% in 2025.

Feedback from all of these channels informs our due diligence and helps improve our practices, processes, and remediation efforts.

S2-4 - Taking action on material impacts, risks and opportunities related to workers

Risk mapping and mitigation

We prevent and mitigate actual and potential negative impacts on value chain workers through a robust human rights due diligence process embedded in our Human Rights and Environmental Due Diligence (HREDD) system. This system identifies, prevents, and addresses human and labor rights risks across our operations and supply chain. In 2025, adidas formalized key steps to embed HREDD across our upstream value chain and own operations, with targeted expansion to high-risk non-trade procurement (NTP) and downstream logistics.

Our due diligence process prioritizes high-risk locations, processes, and activities where we can influence outcomes. Country-level risk assessments enable rapid, targeted responses and draw on public databases, direct engagement with stakeholders, including civil society organizations and trade unions, as well as direct worker engagement. At factory-level, risk assessment processes include regular audits, social impact performance (S-KPI) assessments, and factory risk-rating analysis, covering all material human and labor rights risks, as outlined in our Human Rights Policy and Workplace Standards.

Based on risk mapping, materiality assessments, and grievance data, we identified key areas for targeted action to mitigate risks and address negative impacts. All actions disclosed in this section correspond to the material topics identified in our double materiality assessment and apply to workers in our upstream value chain.

All actions taken during the reporting period were led by the Social & Environmental Affairs (SEA) department, a specialist function within Global Legal. SEA is responsible for implementing our HREDD system and ensuring compliance with adidas' Workplace Standards across the supply chain. The team comprises 37 full-time experts located in major sourcing countries, Germany, and the United States. Each member is fully dedicated to due diligence and social and environmental compliance. This global structure provides local expertise and oversight, enabling adidas to identify, mitigate, and remediate material impacts effectively.

We systematically track and assess the effectiveness of all actions and initiatives taken during the reporting period through several mechanisms. This includes: our social impact KPIs program (S-KPI), worker feedback mechanisms including worker surveys and grievance data, and through stakeholder feedback and

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engagement – ensuring that intended outcomes for value chain workers are achieved and that we work toward continuous improvement.

Human rights and other work-related rights

Child labor and forced labor

- To address impacts related to child labor in our upstream cotton supply chain, we continued our partnership with the Fair Labor Association (FLA) on the Harvesting the Future (HTF) – Cotton in India initiative, targeting child and forced labor in Madhya Pradesh’s cotton sector. In 2025, the project completed surveys of 16 Child Labor Free Zones and 32 villages, trained field staff on child labor and health and safety, developed monitoring tools and wage standards, and strengthened multi-stakeholder engagement and local capacity.
- In 2025, we advanced industry collaboration with the American Apparel & Footwear Association (AAFA), the FLA, and leading brands to strengthen responsible recruitment and address forced labor risks for foreign migrant workers (FMWs) in Taiwan. We engaged independent experts to assess recruitment fees and develop remediation plans, reinforcing our ‘no fee’ commitment. To monitor progress, we launched worker surveys for direct feedback and transparent tracking. These actions reflect measurable steps toward addressing forced labor risks and ensuring accountability across the Tier 2 supply chain.

Working conditions

Health and Safety

To address material risks related to health and safety, including workplace accidents and unsafe conditions, and to strengthen opportunities for improved occupational health and safety, we implemented the following actions during the reporting period:

- Building on the initiative launched in 2023, we delivered targeted training to enhance machine and electrical safety for compliance and safety teams at Tier 1 factories in Vietnam and Indonesia, and expanded coverage to a selected Tier 1 supplier in Cambodia.
- In India, following the 2024 pilot, we continued third-party assessments on machine and electrical safety for selected local sourcing factories.
- Through the Pakistan Accord on Fire and Building Safety, which we joined in 2023, we supported workplace safety assessments at supplier facilities in Pakistan and related supplier follow-up actions, including supporting remedial actions.
- To further reinforce safety systems and mitigate fire safety risks, we implemented a dedicated program focusing on fire and electrical safety for selected Tier 2 material suppliers – specifically fabric mills, dye houses, leather tanneries, and component manufacturers. Selected Tier 1 suppliers in Vietnam and Indonesia also participated.

Fair compensation

To support our Fair Compensation ambitions, in 2025, we focused on key impact areas, including applying the lever of freedom of association and taking steps to advance our target on gender pay parity. These actions mitigate risks of wage inequality and enhance opportunities for adequate wages in our upstream supply chain. For the details of our actions in these respective areas, see the following sections on freedom of association, gender equality, and equal pay for equal work.

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Freedom of association (FOA) and social dialogue

To mitigate risks related to restrictions on freedom of association and to strengthen opportunities for effective social dialogue, we implemented the following actions during the reporting period:

- In Cambodia, we continued our collaboration with the Cambodia Arbitration Council, which provided capacity-building support to factory management and trade union leaders on developing protocols for labor dispute resolution. This addresses the risk of labor conflicts and supports the opportunity for constructive industrial relations. To date, eight of our manufacturing partners have participated in this program and of these, three have reached agreements with their respective trade unions on the implementation of these protocols.
- In Myanmar, we partnered with the Multi-stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry (MADE in Myanmar) program to support one of our manufacturing partners in conducting an open and fair election process for the Workplace Coordination Committee (WCC) to reduce the risk of worker representation gaps and promoting democratic workplace governance.
- In Indonesia, we delivered training sessions on the FOA Protocol for new manufacturing partners, mitigating compliance risks and enabling effective implementation of freedom of association standards within factory operations.
- In El Salvador, we began implementing the Americas Group's FOA Guidance for Employers across five Tier 1 suppliers, supported by a local subject-matter expert. This initiative addresses risks of non-compliance with FOA and industrial relations standards while creating opportunities for stronger partnerships between factories, workers, and unions.
- In Jordan, we engaged with the FLA, International Labour Organization (ILO) and local stakeholders on the terms of the current Collective Bargaining Agreement (CBA), which provides a lesser set of rights to workers in the garment and textile sector compared to other industries and national standards. This engagement aims to mitigate the risk of unequal treatment of foreign migrant workers. In 2026, an independent study will be conducted on wage deductions affecting foreign migrant workers, creating an opportunity for systemic improvement.

Equal treatment and opportunities for all

Gender equality and equal pay for equal work

- **Supplier Gender Equality Program:** We continue to implement the gender equality program for suppliers to address risks of gender discrimination and unequal pay, and to create opportunities for inclusive workplaces. The program includes an annual self-assessment to help suppliers identify gender gaps in their operating practices and procedures as well as an annual gender equality worker survey to evaluate worker sentiment on gender equality, and targeted capacity building. In 2025, more than 51,000 (2024: 46,000) workers participated in the worker survey across 102 factories (2024: 105). Since the program's launch in 2023, worker survey results have improved, from 85 (out of 100) in 2023 to nearly 87 in 2025. These improvements indicate that the program is delivering tangible benefits for workers by strengthening gender equality practices, enhancing workplace inclusivity, and fostering a more equitable working environment.
- **Women Leadership Program:** We continue to provide tailored training under our Women Leadership Program. In 2025, more than 1,600 (2024: 1,600) female supervisors from 80 (2024: 76) factories in Cambodia, China, India, Indonesia, Myanmar, and Vietnam participated in the training. We closely track the progress of workers graduating from this training initiative and, since 2016, approximately 500 female supervisors have been promoted to higher positions because of their participation in the program.

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— **Equal Pay for Equal Work:** In 2025, we launched a dedicated Gender Pay Parity e-learning course, commissioned by adidas and another FLA participating company, in collaboration with the Anker Research Institute and improvingworklife. The course was designed to raise awareness, build supplier capacity, and promote equitable compensation practices. It was rolled out across 70% of our core Tier 1 suppliers in 2025, equipping them with tools to assess and address gender-based pay gaps and foster inclusive workplace policies.

► ANKERRESEARCHINSTITUTE.ORG ► IMPROVINGWORKLIFE.COM

Training and skills development

To mitigate risks of non-compliance and to strengthen opportunities for capacity building and increased worker awareness of labor standards, we continue to provide regular training and capacity building to suppliers and workers employed at our suppliers' facilities, through digital training and targeted in-person sessions on topics including: our Workplace Standards, labor rights, health and safety, and environment.

In 2025, we conducted 78 training sessions (2024: 104) for 2,419 individuals (manufacturing partners, licensees, workers and adidas employees). We expanded our use of the FLA's e-learning materials to include adidas' direct supply chain, which include training courses covering topics such as human rights, forced labor, responsible manufacturing, and worker engagement. We also provided access to the Better Buying Institute's e-learning course on responsible purchasing practices to the appropriate cross-functional teams within adidas and to licensee partners.

Digital training for workers in the supply chain has been successfully rolled out via the WOVO app. The tool assesses workers' awareness of their labor rights (e.g., fire safety, harassment and abuse), available remedies and use of grievance channels. Over 59,500 workers participated in 2025 (2024: 68,800) and averaged a score of approximately 91 out of 100 in the post-test questions, demonstrating high levels of worker awareness of their core rights and available remedies.

Cooperation with stakeholder groups

In addition to taking action to address material impacts, adidas actively engages with stakeholders to inform and strengthen our programs' effectiveness and our overall approach. We work with leading organizations to advance capacity-building efforts on supply chain-related topics. Key engagements in 2025 included:

— **Americas Group (AG):** We continued to actively contribute and play a leading role to this long-standing multi-stakeholder initiative. Key activities included: (1) Reporting to local labor stakeholders on compliance with childcare and severance laws and regulations in El Salvador – systemic and widespread issues we've addressed in partnership with a local women's organization and trade union federation since 2016; (2) Hosting in-country stakeholder engagements with labor partners in El Salvador to strengthen collaboration and transparency; (3) Preparing for the initiative's responsible conclusion in late 2025, with plans to explore new stakeholder collaborations in 2026.

► MAQUILASOLIDARITY.ORG

— **Anker Research Institute (ARI):** We continued to support the Anker Research Institute by continuing our corporate sponsorship, partnering on developing and launching the Gender Pay Parity e-learning program, and consulting on technical areas of data collection.

► ANKERRESEARCHINSTITUTE.ORG

— **Better Buying Institute:** We continue to participate in the Better Buying Purchasing Practices Index (BBPI). In 2025, we continued collecting supplier feedback through anonymous Better Buying Institute surveys. Our score was 67 out of 100, consistent with 2024 results. We reviewed the results in

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September 2025 with senior Sourcing leaders, identified areas for improvement, and shared these insights with suppliers in October 2025.

- **Better Work:** Over the past three years, we have enrolled 23 Tier 2 material suppliers in Indonesia and Vietnam in the Better Work program, with 95% of participating factories either improving or maintaining their compliance performance. Notably, 52% of these facilities demonstrated significant progress, successfully remediating non-compliance issues related to labor contracts, social insurance, and workplace safety.
- **Fair Labor Association (FLA):** We maintained our accreditation as an industry leader with the Fair Labor Association. In 2025, the FLA also made the evaluation's scores public for the first time in the organization's history via the FLA website for a select number of participating companies, including adidas.
- **International Accord for Health and Safety in the Textile and Garment Industry:** We remain a committed signatory to the International Accord and an active participant in the Pakistan Accord, advancing fire, building, and electrical safety across our supply chain. In 2025, we strengthened capacity-building efforts and supported the delivery of a joint training on enhancing the effectiveness of internal audits for Accord staff and our suppliers in Pakistan.
▶ INTERNATIONALACCORD.ORG
- **MADE in Myanmar:** Through our continued support of the MADE program, we have remained committed to addressing labor risks in Myanmar. In 2025, all our manufacturing partners made significant progress in implementing the remedial actions identified through the MADE program assessments. Additionally, MADE provided targeted support to one of our manufacturing partners in conducting an open and fair election for Workplace Coordination Committee members. The program also shared valuable insights on wage trends, which we used as a reference for wage benchmarking to help align our partners' compensation practices with industry standards. These efforts have contributed to greater wage transparency, fostered constructive dialogue between employers and employees, and strengthened compliance with international labor standards, despite the challenging operating environment. Our engagement with MADE underscores adidas' ongoing commitment to responsible sourcing and human rights due diligence in high-risk regions.
▶ MADEINMYANMAR.EU

Beyond programmatic engagement, adidas hosted an in-person stakeholder dialogue in November 2025 at our headquarters in Herzogenaurach, Germany. The event focused on our current and future strategies to address the important issues of climate change, circularity, and just transition. The feedback and insights gained through this engagement will inform future strategy, policy, and systems development on these topics.

The 2025 stakeholder dialogue builds on the event held in Zurich in November 2024, which focused on human rights due diligence, sports sponsorships, and biodiversity and deforestation topics. We published a report summarizing the stakeholder feedback received in 2024 and key areas which will inform our approach going forward.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/REPORTS

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets and program ambitions

As part of a five-year program cycle, adidas has set program ambitions, achieved by 2025, that collectively address several material impacts, risks, and opportunities (IROs) for workers in our value chain. They aimed to mitigate and, where possible, eliminate risks such as unfair wages, excessive working hours, and health and safety gaps, while advancing positive outcomes like gender equality and equal pay for equal work. Our program ambitions combine social impact KPIs that cover multiple issues with focused goals on positive impact areas such as fair compensation and gender equality. Integrated into our due diligence and supplier programs, these targets have driven measurable progress in protecting and empowering workers, strengthening resilience, and ensuring continuous improvement across the supply chain.

Human Rights and Environmental Due Diligence (HREDD)

Our 2025 target was to achieve full coverage of human rights due diligence systems across our operations and upstream value chain, ensuring there are processes in place to manage high-risk human rights issues. Our HREDD process covers all identified material human rights issues, and the HREDD risk assessment and identification process helps us to prioritize action on those material topics.

We have met our stated 2025 ambition. We embedded a comprehensive HREDD framework and supporting internal risk-management procedures across relevant business functions, in alignment with our stated target. Aligned with the German Supply Chain Due Diligence Act, the system covers our entire upstream value chain and adidas operations, and is supplemented by targeted coverage of prioritized high-risk Non-Trade Procurement (NTP) and selected downstream relationships (e.g., transportation and logistics). Identified high-risk issues, and the measures to address them, are formally reported annually to the Chief Human Rights Officer (CHRO) and the Executive Board.

Social impact (S-KPI)

The S-KPI helps track material impacts on workers – including: health, safety, wages, gender equality, and working hours – and supports continuous improvement while ensuring compliance with the Workplace Standards. The S-KPI is adidas specific and has 15 units of measures ('UOM'). These include compliance with threshold and zero-tolerance issues, completion of remediation plans, accident and absenteeism rates, as well as a range of worker empowerment measures such as resolution and satisfaction rate of workers' grievances, participation rate in worker satisfaction surveys, and the ratio of females in mid-managerial positions. The S-KPI is based on supplier-provided data and, where applicable, validated during social compliance audits (conducted by internal monitors and in some cases by third-party verifiers).

Our 2025 target was to have 90% of our core Tier 1 suppliers reach a minimum rating of 4S and 100% of these suppliers reach a minimum rating of 3S (on a scale of 1S to 5S, with 5S being the highest rating). The thresholds are set as follows: 1S: 0-29%, 2S: 30-59%, 3S: 60-79%, 4S: 80-89%, 5S: 90-100%.

In 2025, 80% of our Tier 1 suppliers achieved a rating of 4S or better (2024: 82%), and 96% reached 3S or better (2024: 95%). While these results fell short of our goals, they reflect robust performance across most of our suppliers. Despite extensive support through advisory sessions and training, some suppliers did not meet expected milestones. Our analysis indicates this is caused by two main factors: (i) delays in completing remediation of threshold issues identified during audits and (ii) limited capability within the

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suppliers' compliance teams, particularly among newly onboarded suppliers and those facing high staff turnover.

At the same time, the performance by leading suppliers demonstrates the positive impact of our S-KPI framework. Four out of five Tier 1 suppliers achieved higher levels of social compliance standards, delivering tangible improvements in worker safety and well-being. As we conclude the five-year S-KPI cycle, these achievements reinforce our commitment to driving continuous improvement across the supply chain.

Fair compensation

We are committed to progressive improvement in compensation across our core Tier 1 suppliers. This ambition is intended to advance positive impacts and opportunities for workers in our supply chain and align with our Workplace Standards by providing a decent standard of living that is considered acceptable by society at its current level of economic development.

To support our ambition, we track wage progress using the Fair Labor Association's (FLA) Fair Compensation Wage Data Collection Methodology and Tool. The data collection exercises allow us to compare wages of our in-scope suppliers against the available country wage benchmarks, such as the applicable minimum wage and living wage benchmarks. Wage benchmarks vary by country based on their availability; minimum wage benchmarks are available for all countries, whereas our selected living wage benchmark, the Global Living Wage Coalition (GLWC)/Anker Research Institute (ARI) living wage benchmarks are only available in some of the in-scope countries based on where ARI has completed living wage studies.

To execute our 2025 Fair Compensation strategy, we collected data in three key stages: in 2020 (baseline year); 2023 (mid-point year); and 2025 (final). To fully evaluate progressive improvement in compensation, we require full-year data on working hours and wages. As a result, full-year 2025 data will be analyzed in early 2026. This is in line with previous data collection exercises. More details and information on our 2020 and 2023 wage data collection exercises, including available country wage benchmarks and results, are available on our corporate website.

This final data collection will allow us to compare results across all three years of the program, evaluate how factory wages measure up against benchmarks across our strategic timeline, and evaluate progress and positive outcomes for workers. Our 2025 wage data collection results will be included in the Annual Report 2026 and on the Fair Compensation page on our corporate website.

Gender equality and equal pay for equal work

Our ambition, set in 2020, is that every core Tier 1 supplier will have secured gender wage parity for workers by 2025. Since the setting of the target, due to technical challenges and data privacy restrictions in obtaining comprehensive gender-disaggregated wage data from our supplier factories, we have focused our actions in support of this target on capacity building and supporting suppliers' understanding and ability to improve wage management systems that ensure equal pay for equal work.

In 2025, we delivered the outcomes of a joint collaborative initiative to develop a gender pay parity e-learning program to enhance sensitivity and understanding of the gender pay gap, in particular equal pay for equal work. Our goal is to have 100% of our core Tier 1 suppliers subscribed to the FLA e-Learning Portal complete this e-learning program. In 2025, 70% of our core Tier 1 suppliers enrolled in the e-learning and 100% completed the course. A second phase of the e-learning will be completed in 2026 to ensure 100% of core Tier 1 suppliers complete the course.

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Engagement of value chain workers in setting targets

We aim to address the topics that are most salient to our business and our stakeholders. To identify these topics, set targets accordingly, and increase transparency and disclosure, we openly engage with our stakeholders and consider their views and opinions when making decisions that shape our day-to-day operations. While workers were not directly involved in setting our 2025 program ambitions, their feedback – collected through grievance mechanisms and surveys – helps us track progress and evaluate program effectiveness.

ESRS S3

Affected Communities

We have limited direct impact on surrounding communities, but our upstream supply chain presents the most significant risks – particularly where factory operations affect local access to clean water and sanitation or where human rights defenders (HRDs) face retaliation. These issues form our core material impacts and guide our focus on strengthening supplier practices, community reporting channels, and timely remediation.

Key metrics and actions

Our 2025 actions focused on safeguarding affected communities by strengthening water and sanitation protections, ensuring effective community grievance reporting, and taking decisive action to uphold the rights and safety of human rights defenders.

Community access to water and sanitation

In 2025, in response to concerns raised in Indonesia, we required implicated Tier 1 suppliers to clean up residual waste that had been dumped improperly, strengthen oversight of waste vendors, and align disposal practices with environmental authorities. We also continued to follow up on a community complaint from 2024 related to localized flooding caused by a Tier 2 facility. All preventive remediation measures at this facility have now been fully completed.

Supporting the freedoms of human rights defenders

We continued to monitor potential HRD-related risks through our third-party complaints mechanism and to engage with stakeholders, where relevant. In 2025, we did not record any HRD rights violations that required our direct action.

ESRS 2 General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported in ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

adidas operates a primarily outsourced global supply chain, extending from strategic manufacturing partners to component and raw material suppliers, including cotton, leather, and natural rubber. While our own operations – such as offices, retail stores, and distribution centers – pose limited direct risk to affected communities, our upstream supply chain presents greater potential for impact.

Through our materiality assessment and stakeholder engagement processes, we have identified actual and potential impacts on affected communities, particularly in relation to:

- Access to water and sanitation (e.g., groundwater depletion, pollution near supplier facilities, generation of hazardous waste including chemical waste)
- Human rights defenders (HRDs) (e.g., unfair dismissal, intimidation, or retaliation)
- Indigenous Peoples and communities near raw material production and/or recycling sites

These impacts originate from our business model, which relies on outsourced production in regions where environmental and human rights risks are more prevalent. Any material negative impacts that occur are typically individual incidents. They also inform our strategy, leading to targeted due diligence, supplier requirements, and grievance mechanisms to mitigate and remediate harm.

Affected communities may include:

- HRDs such as trade unionists, environmental advocates, and labor rights campaigners
- Local populations near Tier 1 and Tier 2 supplier facilities
- Communities impacted by logistics and distribution activities
- Indigenous Peoples in proximity to the production of raw materials which enter our supply chain

We engage with stakeholders – including NGOs, trade unions, and advocacy groups – to understand community concerns and shape responsive actions. Our third-party complaints mechanism and community reporting protocols provide channels for affected communities to raise concerns, which are investigated and addressed in line with our Human Rights and Environmental Due Diligence (HREDD) system.

SBM-3 - Affected communities and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Water and sanitation	Negative Impact	Potential	Short-term	Upstream	There are potential adverse environmental impacts linked to our supply chain that may prevent community access to clean water and sanitation in the communities where our suppliers operate (mainly focusing on Tier 2 suppliers, which utilize water-intensive processes as part of their production).
Impacts on human rights defenders	Negative Impact	Potential	Mid-term	Upstream	Human rights defenders may be adversely impacted through intimidation, discrimination, or economic retaliation when raising their concerns (including those that may be linked to our business operations), particularly in regions where civic freedoms and human rights protections are limited.

Impact, risk and opportunity management

S3-1 - Policies related to affected communities

Community economic, social, and cultural rights (e.g., access to clean water and sanitation) are addressed through core policies including our Human Rights Policy, Human Rights Defenders Policy, and adidas Environmental Guidelines. These documents guide actions to minimize impacts on affected communities, including those related to climate change, biodiversity, water use, hazardous chemicals, and waste.

Our policies align with international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD MNE Guidelines. They also reflect guidance on vulnerable groups such as Indigenous Peoples, women, children, and migrant workers. adidas has publicly communicated our commitment to respecting Indigenous Peoples in accordance with the UN Declaration on the Rights of Indigenous Peoples and ILO Convention No. 169. This is further defined in our Biodiversity and Ecosystems Policy, which requires respect for the rights, lands, and cultures of Indigenous Peoples and obligates our suppliers to obtain free, prior, and informed consent (FPIC) for new developments near tribal or disputed lands.

▶ SEE ESRS E4-2 - POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Monitoring compliance with these standards is detailed in ESRS S2 – Workers in the Value Chain. For affected communities, our primary monitoring mechanism is the third-party complaints procedure.

▶ SEE ESRS S2-3 - PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

S3-1 - Policies related to affected communities

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Human Rights Policy (HRDs)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	All own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Human Rights Defenders Policy (HRDs)	Addresses instances where Human Rights Defenders (HRDs) activities are repressed by suppliers or others.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	UN Special Rapporteur on HRDs	Direct consultation with suppliers	Accessible on corporate website
Workplace Standards (WS, HRDs)	Sets contractually binding requirements applicable for our suppliers, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO conventions, model code of conduct of the WFSGI	Direct consultation with suppliers	Accessible on corporate website and directly shared with suppliers
Environmental Guidelines (WS)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes water management.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	ZDHC wastewater guideline and ZDHC MRSL	ZDHC and adidas suppliers	Accessible on corporate website

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S3-1 – Policies related to affected communities

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Guidelines on Employment Standards (HRDs)	Describes suppliers' human rights due diligence obligations and protections against discrimination.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	Various international conventions and standards on international labor rights and human rights	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

¹ Material matters addressed by policies and guidelines are abbreviated as follows:

WS – Water and Sanitation

HRDs – Human Rights Defenders

S3-2 – Processes for engaging with affected communities about impacts

adidas engages with stakeholders who represent affected communities to inform our due diligence and support effective remedies. While suppliers are typically the first point of contact for local concerns, adidas intervenes when credible reports or third-party complaints highlight potential or actual negative impacts.

adidas uses its stakeholder engagement, as stated above, to gain insights into the perspectives of affected communities. This especially includes vulnerable groups, such as women, migrant workers, Indigenous Peoples, and other minorities, or those whose circumstances open them up to exploitation or the abuse of their rights and who may be particularly affected by adverse impacts.

However, we recognize there are challenges in identifying and addressing all potential or actual adverse impacts on affected communities, including Indigenous Peoples, across our upstream value chain. These challenges stem primarily from such impacts being concentrated in the upper tiers of our supply chain – at the raw material or commodity level – where our visibility and direct engagement are limited. To address these challenges, we are committed to strengthening our due diligence and stakeholder engagement practices to ensure broader coverage and more effective management of community-related risks.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

Processes to remediate negative impacts

We operate processes to enable and provide remediation for adverse impacts on affected communities, with dedicated grievance channels for water and sanitation issues and human rights defenders (HRDs), integrated into our Human Rights and Environmental Due Diligence (HREDD).

For water and sanitation concerns, suppliers must report community complaints through our reporting mechanism, provide details (complainant, timing, nature of issue), and share investigation outcomes, corrective actions, and preventive measures, including communication with stakeholders.

For HRDs, we act directly where partners violate rights, engage constructively with governments when state actions impede HRDs, and address issues raised via our third-party complaints process. We are committed to being 100% responsive to complaints received and providing timely remedy for any breach of our Human Rights Policy or Workplace Standards. All cases are tracked, outcomes published annually, and processes reviewed for effectiveness using stakeholder feedback. A non-retaliation policy protects complainants.

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Channels for affected communities to raise concerns

We provide multiple channels for affected communities and external stakeholders to raise concerns:

- Complaint Mechanism for Human Rights and Environmental Impacts: Enables any third party, including individuals and organizations, to report human rights or environmental harm. We publish annual updates on cases and outcomes on our corporate website.
- Supplier Self-Reporting: Under our Major Incident Report Protocol, suppliers must report community water and sanitation complaints, investigation plans, and follow-up actions to our Social & Environmental Affairs (SEA) team.

These grievance channels form part of our Human Rights and Environmental Due Diligence (HREDD) system. We monitor the nature, type and frequency of complaints received to gauge affected communities' – or their legitimate representatives' and credible proxies' – trust and awareness of these processes. We review their effectiveness annually by reviewing the scope, nature and frequency of the complaints received through these channels, and we incorporate stakeholder feedback for improvement. All complainants are protected by our commitment to non-retaliation.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

adidas seeks to prevent material negative impacts on affected communities by enforcing supplier compliance with environmental standards, requiring free, prior, and informed consent (FPIC) for land-related developments in the rare instances where these occur in our supply chain, and conducting upstream human rights due diligence on raw materials. These measures aim to prevent noncompliance with international standards, such as the UNGPs, the ILO Declaration, or the OECD Guidelines. No severe noncompliances were identified during the reporting year. Isolated incidents in the supply chain – such as improper waste disposal impacting local communities – were investigated and remediated.

The actions taken during the reporting period were led by the Social & Environmental Affairs (SEA) team, a specialist function within Global Legal, which oversees human rights and environmental due diligence and ensures supply chain compliance with Workplace Standards. This 37-person team operates globally, with staff based in major sourcing countries, Germany, and the United States, all dedicated full-time to due diligence and compliance. The SEA team collaborates closely with the Sourcing Sustainability function, which focuses on remediating environmental impacts and tracking supplier performance against published targets.

Actions related to water and sanitation

Our actions to address actual or potential negative impacts on community water and sanitation are embedded in our Human Rights and Environmental Due Diligence (HREDD) process. We manage supplier-reported cases through our community complaints mechanism, aiming for effective remediation and preventive measures. In addition, we obligate our suppliers to adhere to strict environmental standards on air emissions, wastewater discharge, waste disposal, and water use to minimize risks to communities and ecosystems. These supplier obligations are embedded in our Workplace Standards and are monitored through a community complaints mechanism, audits and incident tracking. Where systemic issues arise, we collaborate with industry initiatives and local stakeholders to drive broader change.

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In 2025, several Tier 1 factories in Indonesia were asked by local authorities to review their waste management practices, particularly regarding potential open dumping or illegal burning, after a community concern was raised through a local NGO. While most production waste was properly recycled or co-processed, some residual waste had been improperly dumped due to local restrictions on landfill use. Corrective actions included clean-up of affected areas, tighter oversight of waste vendors, and consultation with local environmental authorities to determine compliant disposal methods for non-recyclable residues.

Separately, in October 2025, local media alleged improper handling of hazardous waste at one facility in Indonesia. Following a government inspection, the allegation was found to be unsubstantiated, with authorities confirming that the factory maintained appropriate procedures and documentation for hazardous waste storage and disposal.

We also continued to follow up on a community complaint reported in 2024 concerning a Tier 2 supplier facility in Indonesia. The complaint alleged that the facility's operations contributed to localized flooding, which adversely impacted the surrounding community.

In response, adidas required the facility to implement measures to upgrade its rainwater runoff systems to prevent future flooding. The supplier completed the remediation actions, which were validated by an independent third party. Additionally, following an on-site inspection, the local government issued a confirmation letter. Based on these verified results, the case has been closed, and adidas has communicated the resolution to the complainant.

Actions related to human rights defenders (HRDs)

Our actions related to HRDs are case-specific and leverage our influence to drive change, including direct engagement with affected parties – such as labor organizations, NGOs, and authorities, in line with international human rights standards and local laws. We monitor potential HRD impacts through our third-party complaints mechanism and other tracking processes. In 2025, we neither identified nor were made aware of any HRD rights violations. As a result, no specific actions related to HRDs were required.

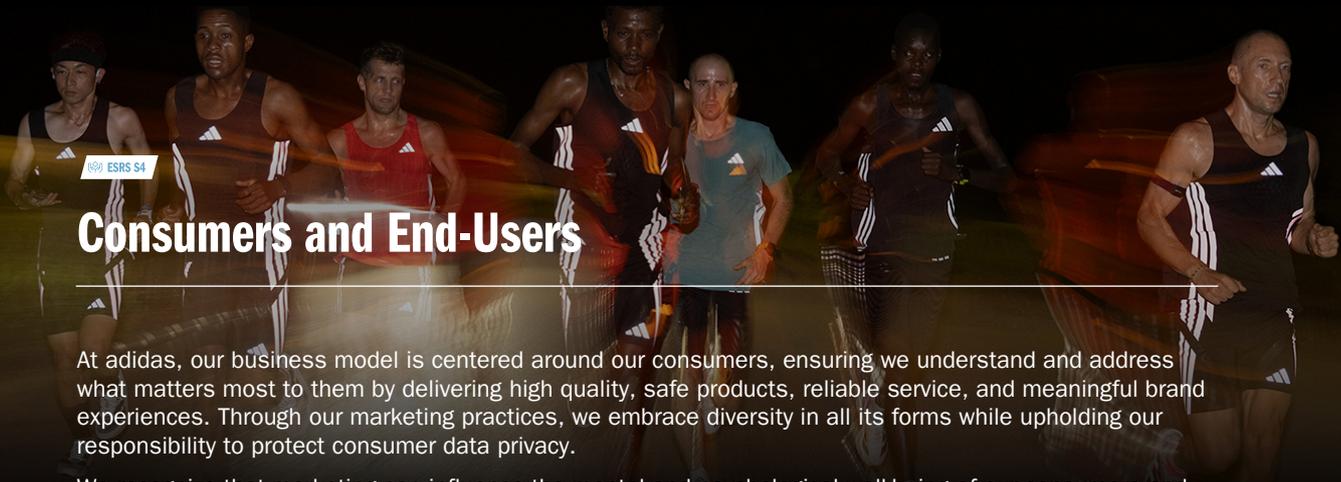
Reviewing effectiveness of our actions

Our primary focus is on addressing any identified adverse impacts on affected communities that may be raised through our third-party complaints mechanism and/or stakeholder engagement with credible proxies and/or legitimate representatives of affected communities. For the former, processes are in place to validate the resolution of the case with the affected party, which is a means to evaluate the effectiveness of the corrective/remedial action. Our incident handling procedure lays out guidance to factories on how to manage issues related to adverse impacts on affected communities regarding water/sanitation, and to track the management of such cases as they arise.

Metrics and targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Given the very low frequency of cases that are being managed, we currently do not have time-bound, outcome-oriented targets with regard to reducing negative impacts on affected communities or advancing positive impacts on affected communities.



Consumers and End-Users

At adidas, our business model is centered around our consumers, ensuring we understand and address what matters most to them by delivering high quality, safe products, reliable service, and meaningful brand experiences. Through our marketing practices, we embrace diversity in all its forms while upholding our responsibility to protect consumer data privacy.

We recognize that marketing can influence the mental and psychological well-being of our consumers and therefore commit to responsible communication. We also ensure that any environmental claims in advertising are accurate and not misleading, enabling consumers to make informed choices.

At the same time, we remain aware of risks, such as potential privacy violations, which may lead to administrative fines or legal claims, as well as health and safety risks stemming from non-compliance with regulatory requirements, which could result in recalls, financial penalties, or reputational damage.

Key metrics and actions

At adidas, we are dedicated to maintaining the highest standards of data protection, safeguarding the well-being of our consumers, and promoting ethical marketing practices that resonate with our values of inclusion and belonging. As a result, these actions and commitments are reflected in our daily operations.

Privacy	Health and safety	Responsible marketing practices
Integration of robust privacy management systems into our business practices, including regular audits, employee training, and the adoption of security technologies.	Implementation of company-wide product safety policies and standards that cover all aspects of a specific product.	Appropriate and proactive measures, such as sentiment analysis or a partner escalation process, are in place to safeguard our brand and ensure that our brand values are reflected.

Number of product recalls in 2025 related to health and safety

0

Due to the quality of our products and thorough processes, policies, and standards in place, there were no recorded product recalls in 2025.

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ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Consumers and end-users and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Privacy	Risk	n.a.	Short-term	Downstream	Failure to implement and maintain effective privacy management, especially in times of strong digital growth, could result in the inability to effectively convert privacy principles into operational business processes and thereby the non-compliance with or violation of legal requirements (such as the EU's General Data Protection Regulation – GDPR). Additional risks can result from IT security incidents. Overall, this could lead to administrative fines, individual legal claims, or other administrative action, such as business operations restrictions upon complaints, audits, or lawsuits.
Health and safety	Risk	n.a.	Short-term	Downstream	We expect an increase in regulatory requirements, e.g., in the EU regarding usage of chemicals. These (regional) requirements can lead to an increasing risk of non-compliance. Claims of non-compliance with legal requirements, applicable voluntary or mandatory standards for product quality or product safety could lead to voluntary or mandatory product recalls, returned stock and lead to penalties, fines, personal injury claims or reputational damage.
Responsible marketing practices	Negative Impact	Actual	n.a.	Downstream	At adidas, we are committed to fostering an inclusive and positive environment for all our consumers. As part of our dedication to responsible marketing practices, we recognize the profound impact that these practices can have on the mental and psychological well-being of our consumers and impacted communities – either through us or our marketing partners. This includes, e.g., any form of communication that unfairly targets or excludes certain groups based on race, gender, age, or other characteristics, and that can have detrimental effects on the mental health and overall well-being of consumers.
Responsible marketing practices	Negative Impact	Potential	Short-term	Downstream	Environmental claims in advertising should be accurate and not misleading. Consumers should have all relevant information about the product before making a purchase decision. If this is not the case, consumers could purchase a product that does not meet their expectations, which could negatively impact their trust in our brand and leave them financially dissatisfied.

Connection between impacts and risks and adidas' strategy and business model

Privacy

The effective implementation and maintenance of privacy management are paramount. Failure to convert privacy principles into operational business processes can lead to violations of legal requirements. Such incidents could result in administrative fines, individual legal claims, or other administrative actions, such as business operation restrictions following complaints, audits, or lawsuits.

Responsible marketing practices: discriminative marketing

At adidas, our business model is centered around our consumers. We focus on understanding and addressing what matters most to them by creating the products they desire, offering the service they expect, and providing the experience they need. Our goal is to reach sports and fashion enthusiasts worldwide, ensuring inclusivity regardless of race, gender, age, or other characteristics. Our values, standards and business model inherently oppose discrimination, as we aim to deliver our products and services to all potential consumers, embracing diversity in all its forms. We are committed to spreading this message through our marketing practices, which are essential for building brand desirability and attracting consumers. Our marketing practices focus on inspirational and innovative concepts that drive consumer advocacy, build brand equity, and increase demand. By aligning our marketing efforts with our business

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model, we prioritize consumer engagement and loyalty while actively working to prevent any form of discriminative marketing.

Responsible marketing practices: environmental claims

Regarding environmental claims, we prioritize accuracy and transparency in our marketing messages to maintain consumer trust and align our business practices with our long-standing commitment to sustainability, which spans over two decades. We will continue to empower our employees to become sustainability ambassadors and invite our global consumers to engage and connect with us on sustainability initiatives.

Scope of consumers and/or end-users

Given the nature of our products and services, all of our consumers and end-users can be subject to the material impacts or risks outlined in this chapter. Consequently, we do not generally categorize or specify consumer types.

Regarding privacy, we require users to be of the age of consent (16 and older in the European Union (EU)/ the European Economic Area (EEA)) to use our platforms and provide information. This approach is designed to minimize privacy risks for children. Generally, we address the following consumers regarding privacy issues:

- consumers aged 16 and older who use any of the adidas platforms (website, apps),
- consumers aged 16 and older who create a membership account/profile via any of the adidas platforms (website, apps),
- consumers who interact with our customer service agents via adidas platforms (website, apps), and
- consumers who provide information to our employees at retail stores.

At adidas, we recognize the importance of providing accurate and accessible product-related information to our consumers and end-users. Through labels, manuals, digital platforms, and customer support, we aim to ensure that our products can be used safely, preventing any potential damage or misuse.

Our product range, including apparel, footwear, and accessories, is designed to be safe, not inherently harmful, and does not increase the risk of chronic disease. We conduct rigorous product testing to comply with safety standards, provide clear usage instructions, as well as maintain full transparency on the material mix of our products. This commitment is designed to ensure the safety and well-being of our consumers and end-users.

Additionally, we require all our business relationships and supply chain partners to adhere to high health and safety standards. As a result, no specific consumers or end-users with particular characteristics, or those using particular products or services, are at greater risk of harm.

As described above, there are no specific consumer or end-user groups that are more or less vulnerable in terms of privacy or health and safety concerns. However, regarding brand partnership marketing, we recognize the importance of understanding how our brand partnership marketing activities may impact our diverse consumers and end-users, particularly those with specific characteristics or those using particular products or services. While it is challenging to foresee and manage every potential occurrence, we have implemented several measures to develop a comprehensive understanding. Our consumers and end-users include a diverse group of individuals. We acknowledge that brand partnership marketing can influence all

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these groups in various ways. Particularly vulnerable consumers and end-users are those who may be discriminated against for one or more of the following actual or perceived characteristics:

- race, color, ethnic or national origin,
- age,
- religion or belief,
- disability,
- sex, sexual orientation, pregnancy or related medical conditions,
- gender identity, status, or expression,
- nationality, immigration status, citizenship, or ancestry,
- physical or mental ability, condition or characteristics, or
- any other basis prohibited under local law.

The list is not exhaustive and may be supplemented by local law.

The identified material negative impacts related to responsible marketing practices are isolated incidents rather than widespread or systemic issues. By ensuring that our marketing efforts are tailored and specific, we minimize the risk of broad negative impacts on our consumers.

SBM-3 – Material negative impacts – systemic or widespread

Material matter	Material negative impacts – systemic or widespread
Responsible marketing practices: discriminative marketing	Individual – When it comes to our marketing through partnerships, e.g., with other brands, sports teams, athletes, creative partners, innovation partners, or events, any occurrence of our negative impact on consumers is neither systemic nor widespread due to the unique and specific nature of our partnerships.
Responsible marketing practices: environmental claims	Individual – Similarly to the above, any negative impact on consumers resulting from misinformation on environmental claims is also individual, and neither systemic nor widespread due to the unique and specific advertisement of individual products.

Impact, risk, and opportunity management

S4-1 – Policies related to consumers and end-users

To prevent or mitigate any form of risks or negative impacts on consumers and end-users concerning privacy, health and safety, and responsible marketing practices, we have several policies in place. We have established mechanisms to ensure all our policies are regularly revisited and updated as necessary.

S4-1 – Policies related to consumers and end-users

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Global Privacy Management Policy (P)	Outlines adidas' privacy ambition, principles, and framework and includes adidas' approach to deleting personal data. It also sets expectations for third-party suppliers on managing personal information for adidas.	Downstream	Global Privacy Officer	n.a.	n.a.	Available for all employees

S4-1 – Policies related to consumers and end-users

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Information Security Policy (P)	Defines adidas' strategy to maintain moderate security risk and regulatory compliance, ensuring the confidentiality, integrity, and availability of assets, including information, data and services, through established standards and practices.	Downstream	Chief Information Officer (CIO)	n.a.	n.a.	Available for all employees
Information Classification Policy (P)	Outlines the protection of adidas' information assets by employees or contractors through classifying information based on sensitivity and value, applying suitable security controls for each level.	Downstream	Chief Information Officer (CIO)	n.a.	n.a.	Available for all employees
Access Control Standard (P)	Defines the requirements of access related controls (as specified in NIST SP 800-53 Rev. 5) for employees, contractors or consultants in the context of adidas.	Downstream	Chief Information Officer (CIO)	National Institute of Standards and Technology (NIST SP 800-53 Rev. 5)	n.a.	Available for all employees
adidas Policy for the Control and Monitoring of Hazardous Substances (H&S)	Defines clear requirements, handling and process flow for informing, testing, and certifying compliance regarding possibly existing critical hazardous substances in adidas products and materials.	Downstream	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	n.a.	Accessible on corporate website
Sustainable Ingredient Definition SOP (R)	Sets the framework for sustainable ingredients for adidas products, detailing the lifecycle and roles and responsibilities.	Entire value chain	SVP Product Development & Sourcing	Preferred Fiber and Materials Matrix from Textile Exchange	n.a.	Available for all employees
Brand Partnerships Policy (R)	Provides information about processes and guidelines within sports marketing, culture marketing and product collaborations.	Downstream	SVP Brand Partnerships	n.a.	n.a.	Available for all employees
Brand Partnership Escalation Process (R)	Outlines the process for addressing critical partner behavior while avoiding subjective judgments.	Downstream	SVP Brand Partnerships	n.a.	n.a.	Available for all brand partnerships
Sports Marketing Contracts Policy (R)	Establishes best practice in respect of the drafting, negotiation, approval, and management of sports marketing contracts involving any of the adidas brands and sports marketing assets.	Downstream (all sports marketing contracts above defined threshold globally)	General Counsel	n.a.	n.a.	Available for all employees
Fair Play Code of Conduct (R)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems where they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing. Promotes a respectful, equitable and inclusive work environment.	Entire value chain	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website

¹ Material matters addressed by policies and guidelines are abbreviated as follows:

- P – Privacy
- H&S – Health and Safety
- R – Responsible Marketing

With regard to privacy, adidas has policies, standards and blueprints (such as processes, procedures, guidelines, and manuals) in place, which apply to adidas entities around the globe. In these documents, adidas has defined an information security management system (ISMS) for the development, introduction, operation, and further enhancements of adidas information security capabilities. This risk-based approach ensures that relevant security objectives are met. The ISMS is built on the principles of Govern, Identify, Protect, Detect, Respond, and Recover (in accordance with the NIST SP 800-53 Rev. 5 framework) to ensure performance measurement and continual improvement.

Furthermore, adidas is committed to respecting and promoting adherence to human rights throughout the entire value chain and for its consumers. Human rights are fundamental rights and freedoms for everyone

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based on dignity, fairness, equality, and respect. We operationalize this commitment toward our consumers through our Fair Play Code of Conduct, which establishes high ethical standards to be adhered to by our employees and partners in all their activities. The Fair Play Code of Conduct includes, among others, our zero-tolerance against discrimination and harassment.

S4-2 - Processes for engaging with consumers and end-users about impacts

The adidas Brand Insights department plays a crucial role in streamlining insights across markets, categories, consumers, and competitors by monitoring, surveying, and tracking consumer behavior. This department comprises the following teams:

- **Consumer Insights**, which focuses on understanding broad consumer behavior through bespoke consumer research with leading agencies in the respective fields, and with the usage of social intelligence tools,
- **Category Insights**, which formulates insights based on the specific needs of our product categories, e.g., Football, Running,
- **Brand Insights**, responsible for delivering insights on marketing effectiveness and overall brand health by conducting regular brand funnel market studies surveys which gather comprehensive consumer data.

To gain consumer insights, we mostly use three types of data sources:

- Quantitative (structured) consumer survey data gathered for us from third-party providers (agencies, software-as-a-service (SaaS) providers). We work with agencies in the field that conduct a brand perception and brand health survey in various countries every year. This type of data is collected continuously throughout the year, based on a rigid sampling plan.
- Behavioral data from digital data sources from social media platforms and search engines used by our target consumer, such as Instagram, TikTok, Google – this data is sourced via SaaS partners who provide platform access and raw data (dashboards, files, API access). This type of data is always accessible.
- Qualitative consumer feedback on products, concepts, ideas, looks, and styles from focus groups, workshops, and in-depth interviews. This data is gathered on an ad hoc basis, depending on the requirements.

We gather data from consumers who buy technical sports products, branded sportswear, and streetwear, with a focus on the Gen Z demographic as well as avid athletes and key opinion leaders in their area of expertise, e.g., outdoor athletes for discussions on trail running shoes, fitness instructors to discuss gym wear.

This multifaceted approach to insights helps us gain diverse and credible perspectives that inform our decisions and activities aimed at managing the impact of our responsible marketing practices on our consumers. These activities are being managed by our Brand Insights team reporting into the SVP Brand Development.

Furthermore, our Brand Partnership Insights department leverages insights through online platforms and panel questionnaires to understand how our partners, such as clubs, athletes, and celebrities are perceived by consumers. We use digital tools and collaborate with agencies that conduct consumer surveys and collect specific data. This allows us to measure various aspects of our partners, including social media

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performance and brand fit. Additionally, we generate ad hoc reports for specific or special occasions. This comprehensive approach helps us understand the broader impact of our brand partnerships on consumer perception. All insights related to our partners are being managed by the Brand Partnerships Operations, Insights and History Management team reporting into the SVP Brand Partnerships.

Our organization employs a comprehensive approach to assess the effectiveness of our engagement with consumers and end-users. This process includes evaluating brand heat, consumer demand, and other relevant metrics to ensure that our strategies are aligned with consumer expectations and preferences.

In partnership marketing, we follow a structured yearly planning process to determine our development strategies with all our partners. This process involves making informed decisions about (dis)continuing preexisting partnerships or initiating new ones based on a potential partner's alignment with our brand values and objectives.

The outcomes of our assessments and engagements are documented and reviewed to guide future strategies and decisions. This iterative process helps ensure that our engagement with consumers and end-users remains effective and aligned with our organizational goals.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In general, consumers can lodge complaints about any issues they want to address through various accessible and responsive channels. These channels include:

- Contacts provided by national adidas websites, as also detailed by the EU's General Product Safety Regulation (GPSR)
- Direct communication with our Customer Service team and store staff
- Specific adidas websites that are open for questions of any kind
- adidas complaint system (the customer complaint system adiComp tracks all consumer complaints at point of sales)
- adidas Key Account Management (potential consumer complaints on adidas products addressed to our wholesalers are channeled back via the respective account management)
- Fair Play webform and hotline (whistleblowing system) – details can be found here:
 - ▶ SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

We track and monitor issues raised and addressed through these various systems to ensure the effectiveness of our channels. This includes our customer service and the adidas complaint system (adiComp), which tracks, captures, and handles 100% of incoming consumer complaints and resolutions. For privacy cases, we use an automated individual rights request tool with KPIs and periodic reporting to monitor and assess its effectiveness. Customer service is tracked by customer service systems and processes, while emails to Global Privacy are handled by the Global Privacy team. Our customer service provider is contractually obligated to handle consumer complaints and requests, with an internal due diligence process overseen by business stakeholders to ensure compliance and effectiveness.

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The fact that our consumers actively use these channels and reach out to us directly for support demonstrates their trust in our services. Information on how we protect individuals from retaliation when they use our processes is presented in ESRS G1 – Business Conduct.

► [SEE ESRS G1.1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE](#)

Additionally, our Government Affairs team is responsible for handling cases brought forward by NGOs. The team aims to ensure that we engage with stakeholders effectively and address their concerns promptly.

As for our business relationships, we support and require the availability of complaint and feedback channels by focusing on relationship management and accessibility, specifically for key accounts and online communities. This ensures that our partners are equipped to handle consumer complaints and feedback effectively.

By maintaining multiple open channels of communication and continuously improving our processes, we strive to provide effective remedies and uphold our commitment to responsible marketing practices as well as consumer satisfaction and safety. Details on our actions are presented in the following section.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The involved departments and teams managing the material impacts and risks in relation to consumers and end-users are mentioned in detail in the section S4-2 – Processes for engaging with consumers and end-users about impacts.

Approaches to manage the privacy risk

To mitigate the risk, we have integrated robust privacy management systems into our business practices. This includes employee training, implementing privacy requirements, adopting security technologies to protect consumer data, as well as conducting audits. By respecting privacy, we not only comply with legal standards but also build consumer trust, which is essential for our long-term success.

Furthermore, privacy-related risks are fully considered in the adidas enterprise risk and opportunity assessment, which sets a standardized approach to identify, evaluate, and handle all relevant risks. To manage such risks, we identify the needed actions by carrying out dedicated impact assessments on projects processing consumer data – in addition to our data protection impact assessment as required by Art. 35 EU GDPR. We furthermore consult applicable local legal requirements. More details can be found in the Risk and Opportunity Report.

► [SEE RISK AND OPPORTUNITY REPORT](#)

Based on the outcome of our assessments, we implement necessary measures to ensure risk mitigation. If we determine that the risks remain high and cannot be mitigated, we do not proceed with the processing to ensure minimal risk exposure. To mitigate our risk, we conduct the above-mentioned data protection impact assessments and implement necessary compliance measures.

We have restrictive system and data access controls in place to ensure that our employees and suppliers access our systems and data only on a need-to-know basis. In addition, we have internal supplier due diligence processes in place to mitigate any negative consumer experiences that may result from our data processing supply chains. We conduct periodic spot checks to determine whether the measures in place remain sufficient, especially if there are changes in the level of risk that could increase the impact on individuals.

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The Information Security team, in collaboration with other teams, such as Tech, has dedicated global programs in place – in addition to its regular services – to implement the aforementioned security controls, thereby minimizing the privacy risk:

- Cloud Security: The objective of this program and related actions is to implement proactive security measures to identify and mitigate issues before these materialize into a risk event, minimizing business disruption. We aim to develop scalable solutions to manage vulnerabilities and secure our cloud environment. These measures support the implementation of the control framework defined in the Information Security Policy, its supporting standards, and blueprints.
- Data Security: The objective is to further develop our framework and governance model for data security, which will lead to improved decision making and the implementation of the required actions to meet control and regulatory requirements, overall aiming at reducing data-related risks. This supports the implementation of the data security controls defined in the Information Security Policy, its supporting standards, and blueprints.
- Ransomware Readiness: This project aims at improving current assessments for the most critical assets in order to limit operational damage, loss of revenue, legal or regulatory sanctions and reputational damage to adidas against ransomware extortion. The approach is to further develop technical solutions for immutable backups and a process to restore/recover. The project supports the backup and recovery domain of the control framework as defined in the Information Security Policy, its supporting standards, and blueprints.
- Control Assessment: This is an ongoing service to regularly validate the status of the control maturity from both the enterprise and system perspectives. Through this activity, we are able to identify improvement areas for the implemented adidas controls, enabling us to prioritize and implement the needed controls across the organization.

When a personal data breach is reported to the Cyber Security Incident Response team, it is categorized as either a confidentiality breach (unauthorized access, use, or disclosure of confidential information), an integrity breach (unauthorized modification – intentional or unintentional – of information), or an availability breach (accidental loss of access to, or destruction of, information). An analysis is then conducted to determine if the breach is likely to impact personal data and adversely affect individuals, such as consumers. If a potential adverse effect is identified, we take appropriate steps to involve relevant stakeholders and report the breach to authorities, as applicable. We identify corrective actions to address significant compromises or vulnerabilities. These actions are executed by respective stakeholders, such as business or tech teams, to remediate the issues. Follow-up actions are conducted for successful closure and validation, and lessons learned assessments are organized to incorporate learnings to prevent such incidents in the future.

While human error cannot be entirely avoided, we take measures to prevent personal data breaches caused by such errors. We strictly enforce our Fair Play Code of Conduct and our Global Privacy Management Policy, as well as provide continuous training of our employees. Additionally, we conduct quality control of our suppliers to ensure that all adidas employees and representatives process consumers' personal data appropriately. Furthermore, we continuously improve our data collection and storage processes to ensure data quality and prevent the fraudulent use of personal data. To minimize technical errors, we monitor and control our systems through global and local tests of our information security controls by our Information Security team. These tests validate the effectiveness of our security controls. Moreover, vulnerability assessments, penetration testing, log monitoring, threat intelligence, and security architecture consulting are regularly performed.

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Our Data Protection Officer (DPO) reports findings to the Executive Board and necessary stakeholders on a regular basis. The Privacy team also provides input to Internal Audit, which verifies and audits the privacy implementation and its corresponding effects on consumers. In the reporting year, no severe human rights issues or incidents in relation to consumers' and/or end-users' privacy rights were reported.

Approaches to manage the health and safety risk

Ensuring compliance with legal requirements and standards for product safety and quality is imperative. Selling defective products or those that fail to meet safety standards can result in consumer injury, recalls, penalties, reputational damage, and loss of market access. The increasing regulatory requirements, particularly in regions like the EU and US, pose additional challenges. These include restrictions on the use of certain chemicals, import regulations, and stringent sustainability claims. To mitigate these risks, we apply company-wide product safety policies and standards that ensure compliance with physical and chemical safety requirements. These policies, developed collaboratively by the Legal and Product Development & Sourcing departments, are regularly updated and supported by training, with compliance monitored and enforced by our sourcing organization.

Our approach is anchored by the adidas Policy for the Control and Monitoring of Hazardous Substances, introduced in 1998. It incorporates strict local requirements and best practices as recommended by consumer organizations. Updated annually and published internally and externally, the policy is mandatory for all business partners and informed by ongoing dialogue with scientific organizations. Compliance is ensured through continuous material testing in our own laboratories and external institutes. Materials that fail to meet our standards and specifications are rejected.

In addition, over the last years, we reinforced our product safety network to monitor compliance across business units, developed safety policies and procedures with a strong focus on business entities that market product safety-sensitive products and launched an internal guidance portal for recall management. Moreover, in 2025 we started the update of our product compliance database, which houses mandatory product documentation such as Certificates of Compliance (COC). This proactive approach ensures that we can respond promptly to regulatory requests and maintain market access for our products.

Finally, our Legal, Social & Environmental Affairs and Government Affairs teams are regularly involved in advocacy efforts. We actively contribute to industry initiatives, such as the AFIRM's Restricted Substances List, and support the development of best practice tools. In 2025, we strengthened our engagement in public stakeholder consultations with the European Commission and US legislative bodies to help shape practical regulations. To address increasing US state legislation, including EPA requirements for PFAS, we enhanced status sharing with retailers, expanded supplier outreach, and improved tracking functionality.

By ensuring we stay updated about regulatory requirements and maintain the needed framework for the implementation of the adidas Policy for the Control and Monitoring of Hazardous Substances, we ensure that our business remains resilient and responsive to evolving consumer expectations and regulatory demands. As a result of these ongoing efforts, we recorded no product recalls related to health and safety in 2025 (excluding licensed products).

Taking action on the responsible marketing practices impacts

As outlined earlier in this chapter, our marketing practices are a crucial component of our commitment to responsible marketing. In our brand partnership marketing efforts, we strive to ensure that our collaborations and partnerships reflect our brand values and maintain consumer trust. To achieve this, we conduct thorough screenings of potential partners. We take appropriate and proactive measures to safeguard our brand, which may ultimately result in the termination of business relationships, if necessary.

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We aim to prevent any negative impact on consumers from the outset through our marketing practices. To both prevent and respond to these impacts, we engage openly with our stakeholders. We provide multiple channels for consumers to lodge complaints or address issues, as presented in the previous section (S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns). However, if a negative impact occurs despite our preventive measures, we promptly seek to identify the actions needed to address the impact of our marketing practices, particularly in the areas of discriminative marketing and environmental claims.

In addition, through our Government Affairs team, we maintain relationships with legislative authorities and NGOs to ensure compliance with all relevant regulations and standards. Our diligent monitoring procedures allow us to integrate new requirements into our operations as soon as possible, often before they become legislated.

We take various measures to prevent and mitigate negative effects associated with discriminative marketing, particularly in the area of brand partnership marketing. These measures include:

- **Social media:** We continuously monitor social media to track consumer sentiments and identify potential issues early.
- **Sentiment analysis:** By analyzing consumer sentiments, we gain insights into how our brand and partners are perceived, allowing us to address any negative perceptions promptly.
- **Partner escalation process:** We have established a partner escalation process to manage and resolve any issues that arise with our marketing partners, ensuring that any negative impacts are swiftly addressed.

If a negative impact occurs from brand partnership marketing despite our preventive measures, we tailor our approach to providing or enabling remedies to the specific circumstances of each case. We assess each situation individually to determine the most appropriate actions and measures. We commit to acting promptly and effectively as soon as a case arises, ensuring that we address our material negative impacts on consumers and end-users in a manner that is responsive to the unique circumstances of each situation. For example, in cases involving high-profile partnerships, we evaluate the specific impact and take swift action to address any issues that arise. This may involve direct engagement with the partners, issuing public statements, or implementing other remedial measures to mitigate the impact and uphold our brand integrity. The effectiveness of the implemented actions is monitored through the established channels for engaging with consumers, with insights captured through the use of the different data sources explained in S4-2 – Processes for engaging with consumers and end-users about impacts.

We are committed to addressing environmental claims responsibly and respecting existing and upcoming regulation. If, despite our measures and due diligence, an environmental claim does not meet our stringent standards or is perceived as ambiguous by our consumers, adidas will take corrective action by removing or adjusting the claim, such as revising product descriptions on e-commerce platforms to ensure accuracy and transparency.

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Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Privacy risk

Our goal is to comply with applicable privacy laws and regulations. Although we do not have a distinct target for this ambition, we are dedicated to ensuring that our privacy practices meet high standards and protect the personal information of our consumers and stakeholders. This commitment is reflected in our daily operations and the continuous improvement of our privacy policies and procedures.

Health and safety risk

Product safety is imperative. Our ambition is to ensure that 100% of our products are safe. While we do not have a separate target outlining this ambition, we are committed to managing the risk of selling defective products that could cause injury to consumers. To mitigate this risk, we have implemented company-wide product safety policies, as mentioned above.

Responsible marketing practices impacts

Ensuring responsible marketing practices is an ongoing effort that we actively pursue, with several guidelines and future directions that are currently (re)developed. While we do not have a separate target outlining this ambition, we strive to comply with current legislative requirements and ensure that our marketing strategies align with ethical standards and consumer expectations.

ESRS G1

Business Conduct

We consider adequate business conduct to be imperative and have established high ethical standards that we are committed to upholding. Supplier management is a fundamental aspect of our success, as we do not produce ourselves, and our Human Rights and Environmental Risk Due Diligence (HREDD) system supports us in fulfilling our legal obligations.

Key metrics and actions

adidas maintains several standard processes, systems, and practices to ensure that business is conducted in line with internal policies as well as external legal requirements.

Compliance management system (Fair Play)

It establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business.

Prevention and detection of corruption and bribery

In line with our Fair Play Code of Conduct and our Compliance Policy, adidas strictly prohibits all acts of corruption and bribery, regardless of the identity or position of the parties involved: adidas does not and will not engage in bribery or corruption or any activity that could be perceived as such.

Management of relationships with suppliers

Our HREDD framework guides internal risk assessment and risk management processes in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. With various supplier assessment tools as well as our supplier selection practices, we believe we are well equipped to ensure we select the right partner for the success of our business and to manage adverse impacts on human rights and on the environment.

Payment practices

60 days

standard payment terms

94%¹

on-time payment

0

legal proceedings currently outstanding for late payments

¹ Out of our 54% suppliers that are in line with the 60 days of standard payment terms.

ESRS 2 – General disclosures

IRO-1 – Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 – Business conduct and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Corporate culture	Negative Impact	Actual	n.a.	Upstream, own operations, downstream	Unfair treatment might lead to financial loss and/or negatively impact the well-being of relevant stakeholder groups, e.g. our employees, suppliers, business partners, and customers.
Corporate culture	Risk	n.a.	Short-term	Own operations	adidas relies on its people and leaders to achieve strategic goals. Failure to create an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory, could reduce creativity, innovation, employee satisfaction, and engagement. This may hinder the ability of adidas to foster a performance culture, execute its strategy, and meet its objectives, which may ultimately have negative effects on our financial performance.
Protection of whistleblowers	Negative Impact	Actual	n.a.	Upstream	Even with elaborate whistleblower protections in place, there can still be negative personal impacts if these measures fail in certain cases.
Management of relationships with suppliers, including payment practices	Negative Impact	Actual	n.a.	Upstream	Managing relationships with suppliers is crucial to maintaining a healthy and sustainable supply chain. Effective communication and transparency are the foundation of these relationships. It's important to maintain regular and open dialogue with suppliers, ensuring that any issues can be addressed promptly. Clearly outlining payment terms and conditions in contracts helps avoid misunderstandings and ensures that suppliers are fully aware of what to expect.
Prevention and detection, including training	Negative Impact	Actual	n.a.	Own operations	Unfair market practices, such as biased partner selection and inconsistent commercial terms (payment, price, delivery, etc.), might negatively impact business partners who have not been given a chance to present their products or services. This exclusion can lead to missed opportunities, reduced market presence, reputational damage, and financial challenges.
Prevention and detection, including training	Risk	n.a.	Short-term	Own operations	Allegations and cases of corruption or bribery could result in fines, criminal penalties and civil damage claims against adidas, its managers or employees, as well as reputational damage to the company. Allegations or cases of corruption or bribery might involve our business partners or suppliers and their respective employees, or agents acting on behalf of adidas.
Incidents	Negative Impact	Actual	n.a.	Upstream, own operations, downstream	Unfair market practices, such as biased partner selection and inconsistent commercial terms (payment, price, delivery, etc.), might negatively impact business partners who have not been given a chance to present their products or services. This exclusion can lead to missed opportunities, reduced market presence, reputational damage, and financial challenges.

Impact, risk and opportunity management

G1-1 – Business conduct policies and corporate culture

We consider compliance with the law as well as with external and internal regulations to be imperative. The Executive Board sets the tone from the top, and every employee is required to act ethically and in compliance with the law as well as with internal and other external regulations while executing the company’s business. Our Fair Play Code of Conduct establishes high ethical standards that we are committed to upholding. adidas Fair Play aims to prevent a majority of potential compliance issues. For that reason, we have specific measures to detect and respond to any concerns. We realize, however, that no compliance system can prevent all violations.

Alongside our Fair Play Code of Conduct, we implement our approach to corporate culture based, inter alia, on the policies and concepts described below:

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G1-1 – Policies related to business conduct

Policies ¹	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Fair Play Code of Conduct (C, PW, PD)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems where they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing.	Own operations (all employees globally)	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Compliance Policy (C, PW, PD, I)	Defines i.a., adidas' global stance on anti-bribery and anti-corruption, gifts and entertainment, fraud and theft, antitrust and competition law, conflicts of interest and non-retaliation. It provides procedures for policy violations, including the Fair Play Code of Conduct.	Own operations	CCO	OECD Principles of Corporate Governance, OECD MNE Guidelines, UN Convention against Corruption, Anti-Bribery Convention and Anti-Bribery Management Systems, IDW PS 980	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Global Training Policy (PD)	Outlines adidas' approach to training and its expectation that employees complete all mandatory trainings. Monitored through the Learning Management System (LMS).	Own operations (all employees with regular access to the LMS globally)	Executive Board member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Responsible Sourcing & Purchasing Policy (M)	Defines adidas' approach to responsible sourcing and purchasing practices. It ensures that sourcing and purchasing decisions, and other supporting processes, do not impede or conflict with the fulfillment of the adidas Workplace Standards.	Own operations, upstream	SVP Product Development & Sourcing, VP Social & Environmental Affairs	n.a.	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Global Non-Trade Procurement Policy (M)	Outlines the global non-trade procurement (GNTP) processes, roles, and responsibilities when purchasing indirect/non-trade goods or services or engaging with third-party suppliers in scope of GNTP on behalf of adidas.	Own operations, upstream, downstream	SVP Global Non-Trade Procurement	n.a.	Direct consultation with stakeholders	Available for all employees
Workplace Standards (M)	Set contractually binding requirements applicable for our suppliers' factories, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO conventions, model code of conduct of the WFSGI	Direct consultation with labor rights groups	Accessible on corporate website and directly shared with suppliers
Human Rights Policy (C)	Defines our commitment to respect human rights and safeguard the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

¹ Material matters addressed by policies and guidelines are abbreviated as follows:

- C – Corporate Culture
- PW – Protection of Whistleblowers
- M – Management of Relationship with Suppliers
- PD – Prevention and Detection
- I – Incidents

Compliance Management System (adidas Fair Play)

Our Compliance Management System (CMS) is linked to both the company's risk and opportunity management system and our set of internal controls and is overseen by the adidas Chief Compliance Officer (CCO). As part of our global Fair Play concept, the CMS establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business. It underscores our strong commitment to ethical and fair behavior in our own organization and also sets the parameters for how we deal with others.

The adidas CMS is based on the OECD Principles of Corporate Governance and complies with the OECD Guidelines for Multinational Enterprises. It is designed to:

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- support the achievement of qualitative and sustainable growth through good corporate governance,
- reduce and mitigate the risk of financial losses or damage caused by non-compliant conduct,
- protect and further enhance the value and reputation of the company and its brand through compliant conduct, and
- support, together with the Employee Relations team, initiatives fighting harassment and discrimination.

The adidas Fair Play Code of Conduct is accessible on our website, includes guidelines for employee behavior in everyday work, and is applicable globally for all business areas.

► [ADIDAS-GROUP.COM/CORPORATE GOVERNANCE](https://adidas-group.com/corporate-governance)

Our CMS is organized around three pillars: **prevent**, **detect**, and **respond**.

Prevent

The Compliance team regularly reviews and updates the CMS as necessary. The company's management shares compliance-related communication, and the Compliance department provides mandatory training to all corporate employees globally during onboarding and in regular, repeated cycles. The Compliance team and partners also provide targeted in-person compliance training, including non-corporate employees. Dedicated trainings cover, i.a., anti-corruption and anti-bribery topics, thereby ensuring training coverage of functions-at-risk with senior management and newly promoted or hired senior executives across the globe in order to further enhance the compliance 'tone from the top,' as well as the 'tone from the middle.'

The training is available both virtually (self-led course for corporate employees) and in-person, providing a foundational understanding of employee behavior and conduct. Completion rates are tracked and reported to the Audit Committee. In addition, our Regional Compliance Managers and Local Compliance Officers offer tailored training sessions for specific functions (e.g., anti-trust training for marketing and sales organization).

At adidas, we have a zero-tolerance policy against bribery and corruption. Every reported incident is investigated, and appropriate consequences are applied. We have identified that trade and non-trade procurement as well as brand partnerships pose a particularly increased risk for corruption and bribery. To mitigate these risks, we have established additional rules for brand partnerships, procurement of trade and non-trade goods/services, business partner due diligence, along with a continuously evolving internal control system.

Executive Board and Supervisory Board members are upskilled on our Fair Play Code of Conduct and compliance matters. This upskilling encompasses in particular:

- Their general duties as specified in the Articles of Association and Rules of Procedure of adidas AG (including those for the Supervisory Board committees and Executive Board business allocation plan).
- Regulation (EU) No 596/2014 (the 'Market Abuse Regulation') and associated responsibilities, such as insider trading, closed periods, and disclosure of managers transactions.
- The general legal framework, including German Stock Corporation Law and the German Corporate Governance Code.

The upskilling is part of their onboarding process. Additional training sessions are provided as necessary throughout their tenure.

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To ensure clarity and consistency in our operations, we further rely on our comprehensive set of rules comprising mandatory standards for all employees. They are provided via the Global Policy Manual (GPM) platform to help employees understand:

- the framework defining Dos and Don'ts set by the company,
- the right contacts in our organization for content-related topics, and
- regular communication of new policies and policy updates.

The GPM platform contains information on policies that are categorized as must-read policies, which are applicable to all adidas employees. All employees must be familiar with these policies. Short policy-summaries are provided where no further training is available through the GPM platform.

Moreover, we communicate updates to existing policies via our intranet, and in addition, each policy owner is ultimately responsible to ensure communication and training of their policies to the relevant target audience. Such communication regularly includes emails to the respective target audience and may include dedicated Q&A sessions or other formats to familiarize them with the new rules.

Detect - The Fair Play whistleblowing procedures

To promote transparency and maintain high ethical standards, we encourage our employees, business partners, and customers to report any potential violations of law, ethics, or our Fair Play Code of Conduct to our Compliance department.

adidas has **whistleblowing procedures** in place, accessible to both internal and external stakeholders, to ensure timely detection of potential infringements of statutory regulations or internal guidelines. Employees can report compliance concerns internally to their supervisor, the CCO, Regional Compliance Managers or Local Compliance Officers, the relevant HR Manager, or, where applicable, the Works Council. Employees can also report externally via the independent, confidential Fair Play hotline and webform, which also allow for anonymous complaints. The Fair Play hotline and webform are available in multiple languages at all times worldwide, including the services of interpreters, if required. They are promoted digitally and with posters to reach all our locations around the world.

Since adidas AG is headquartered in Germany, the Fair Play whistleblower hotline and webform comply with the German Whistleblower Protection Act ('Hinweisgeberschutzgesetz') transposing Directive (EU) 2019/1937. Training regarding the whistleblowing system is part of the onboarding training and provided through various communication measures. Staff receiving the reports is regularly trained in case handling.

The adidas Fair Play Code of Conduct as well as our Compliance Policy (see above for both) and our Anti-Harassment and Anti-Discrimination Policy⁴⁷ state that any adidas employee who in good faith reports a reasonable suspicion of a (potential) compliance concern is protected against any form of retaliation, regardless of the validity of the suspicion. Conversely, any employee who retaliates or attempts to retaliate against a fellow employee who has reported or intends to report a suspected or actual compliance incident or other concern in good faith – including by pressuring or threatening the reporting employee – may be subject to disciplinary measures. Additionally, any employee found to have made a report with malicious intent may be subject to disciplinary measures. Reasonable measures to protect whistleblowers from retaliation will be decided on a case-by-case basis. This may include, among others, confidentiality assurance based on the need-to-know principle, use of external meeting facilities or secured

⁴⁷ Publicly accessible here: ► [ADIDAS-GROUP.COM/SUSTAINABILITY](https://www.adidas-group.com/sustainability)

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communication media, physical relocation or protection, involvement of public authorities, collaboration with Human Resources to avoid disciplinary action or other adverse employment consequences.

Respond

Appropriate and timely response to compliance violations is essential. The Compliance team leads all investigations in cooperation with an established team of Regional Compliance Managers and a global network of Local Compliance Officers, with further support from Employee Relations (ER) and HR. We track, monitor, and report potential incidents of non-compliance worldwide. Insights gained from the investigation of past violations are used to continuously improve the CMS. Where necessary, we react promptly to confirmed compliance violations, through appropriate and effective sanctions ranging from warnings to termination of employment contracts. Together with the Employee Relations organization, a key partner in many compliance matters, especially those related to harassment and discrimination or other HR-related matters, we use a case management tool allowing both Compliance and ER to effectively document and process cases as well as report on specific developments in more detail.

- ▶ SEE ESRs S1-17 – INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS
- ▶ SEE ESRs S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS
- ▶ SEE ESRs S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS
- ▶ SEE ESRs S3-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS
- ▶ SEE ESRs S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

The CCO regularly reports to the Executive Board on the further development of the CMS and on major compliance cases. In addition, the CCO reports to the Audit Committee on a regular basis.

G1-2 – Management of relationships with suppliers

Supplier management is a fundamental aspect of adidas success as we have outsourced the vast majority of the production of our products to independent manufacturing partners (trade-related supplier services), located mainly in Asia. Additionally, we have non-trade-related supplier services that support our operations but are not directly tied to product manufacturing (such as logistics services, media and marketing services, office supplies, consumer event services or store constructions etc.). With regard to all of our suppliers, the highest scored material impacts, risks and opportunities include human rights as well as environmental impacts and mainly occur in our upstream value chain and to a lesser extent in our downstream value chain.

- ▶ SEE ESRs S2 – WORKERS IN THE VALUE CHAIN ▶ SEE ESRs S3 – AFFECTED COMMUNITIES ▶ SEE ESRs E1 – CLIMATE CHANGE
- ▶ SEE ESRs E5 – RESOURCE USE AND CIRCULAR ECONOMY

Consequently, our human rights and environmental due diligence (HREDD) system encompasses our sourcing activities, as well as additional functions within our own operations, including Global Brands, Global Non-Trade Procurement, and Human Resources. Our HREDD framework guides internal risk assessment and risk management processes in accordance with the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises, operationalizes our Human Rights Policy commitments, and meets other regulatory obligations including the German Supply Chain Due Diligence Act. Accountability for HREDD is assigned at a functional level, along with established internal risk assessment and reporting procedures.

The assurance and risk mitigation activities associated with our HREDD systems support the company in fulfilling its legal obligations, reducing the risks of penalties for non-conformance with relevant laws. More importantly, it fulfills adidas' Human Rights Policy commitment to:

- Take measures, based on due diligence processes, to avoid causing or contributing to adverse human rights impacts through our own activities, and to address and remediate such impacts when they occur.

- Seek to prevent or mitigate adverse human rights impacts that are linked to our operations, products, or services by our business relationships, even if adidas has not contributed to those impacts.
- Exercise our leverage, and increase such leverage, where necessary, to address adverse human rights impacts arising out of our business relationships.

Trade-related supplier management

Our global supply chain extends through various tiers, with many diverse types of business partners, including directly contracted suppliers, as well as indirect relationships managed through intermediaries, licensee, and agents.

While we provide our manufacturing partners with detailed specifications for production and delivery, they possess expertise in cost-efficient, high-volume production of footwear, apparel, and accessories.

In 2025, we worked with 123 independent manufacturing partners (2024: 124) that were producing in 279 manufacturing facilities (2024: 283). The majority (78%) of our independent manufacturing partners is located in Asia (2024: 78%). We value long-term relationships: 65% of our independent manufacturing partners have worked with adidas for at least ten years (2024: 68%), and 37% have a tenure of more than 20 years (2024: 37%).

Relationship with independent manufacturing partners

	Footwear		Apparel		Accessories		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Number of independent manufacturing partners¹	29	30	67	67	36	36	123	124
Relationship < 10 years	38%	40%	34%	28%	28%	28%	35%	32%
Relationship 10 – 20 years	24%	23%	30%	34%	31%	31%	28%	31%
Relationship > 20 years	38%	37%	36%	37%	41%	42%	37%	37%

¹ Includes one independent manufacturing partner who produces both footwear and apparel, one independent manufacturing partner who produces both footwear and accessories, five independent manufacturing partners who produce both apparel and accessories, and one independent manufacturing partner who produces footwear, apparel, and accessories.

We have established the Responsible Sourcing & Purchasing Policy, which defines our approach to responsible sourcing and purchasing practices within ten buyer commitments we make to our suppliers. One important commitment is on fair terms of payment, including making on-time payment within agreed timeframes. Other commitments include building long-term partnerships with supply chain partners who share our values and commitment, e.g., to the adidas Workplace Standards. The ten buyer commitments were integrated into the adidas Responsible Sourcing & Purchasing Practices Policy in 2021. Since 2019, we have also been a member of the Better Buying Institute, which allows us to collect anonymous feedback from our manufacturing partners and continuously refine our purchasing practices.

Non-trade-related supplier management

In 2025, we continued to embed our HREDD system across the business to identify and manage high-risk human rights issues. This includes the ongoing maturing of internal risk management procedures in the area of non-trade procurement, and the continued use of the EcoVadis sustainability assessments tool to evaluate the sustainability management systems of non-trade suppliers – both upstream and downstream – and, where required, engage prioritized partners on performance improvement plans.

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adidas has a Global Non-Trade Procurement Policy that outlines and standardizes the Global Non-Trade Procurement (GNTP) processes and roles and responsibilities when purchasing indirect/non-trade goods or services or when engaging with third-party suppliers in the scope of GNTP on behalf of adidas. Its objective is to optimize budget usage, ensure efficient purchasing processes, enhance transparency, minimize legal risks and improve supplier performance. To provide services to adidas, suppliers must have their data registered in our main Enterprise Resource Planning (ERP) system before any purchases or invoice payments can be processed. adidas' standardized GNTP processes and policy thus create fair and equal opportunities as well as a stable business environment for all GNTP-related third-party suppliers, in particular for small and medium-sized enterprises that rely on contractual payments due to limited financial flexibility.

Social and ecological criteria in supplier selection

With our HREDD system, various supplier assessment tools, such as EcoVadis sustainability assessments, the Exiger legal compliance tool as well as our trade-related supplier selection practices, we believe we are well equipped to ensure that we select the right partner for the success of our business and to manage adverse impacts on human rights and on the environment. At the same time, these tools are also used to ensure that existing suppliers comply with human rights standards and environmental protections. In the case of unresolved severe or repeated non-compliances, adidas reserves the right to terminate the collaboration with the supplier.

Our Code of Conduct for suppliers, the Workplace Standards, are contractually binding requirements applicable to our suppliers' factories, covering health and safety, labor rights and environmental protection. They are also applicable to our non-trade-related suppliers, where relevant. The Workplace Standards draw from international law and the International Labour Organization (ILO) conventions and follow the Code of Conduct of the World Federation of the Sporting Goods Industry (WFSGI).

Supporting guidelines make the Workplace Standards understandable and provide additional guidance for our suppliers, to find effective solutions to workplace problems, including material risks and impacts such as occupational health and safety. These guidelines provide practical guidance on how to implement the Workplace Standards e.g., in a factory. The Guidelines on Employment Standards, together with the Guidelines on Health & Safety and Environment, remain our essential guidance for business partners on managing issues regarding labor conditions and workplace practices.

G1-3 - Prevention and detection of corruption and bribery

In line with our Fair Play Code of Conduct and our Compliance Policy, adidas strictly prohibits all acts of corruption and bribery, regardless of the identity or position of the parties involved: adidas does not and will not engage in bribery or corruption or any activities that could be perceived as such. This means that all employees must abstain from any acts of corruption or bribery, whether directly or indirectly via the means of any intermediaries.

As anti-corruption and anti-bribery are integral components of our CMS for detecting and addressing such cases, the established procedures (based on the three pillars Prevent, Detect, Respond) also apply to incidents of corruption and bribery. Detailed information on our CMS can also be found here:

► SEE ESRS G1-1 - BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Our commitment is further reinforced by our onboarding training on the Fair Play Code of Conduct that all employees are required to complete. Therefore, 100% of the corporate employees, which include the material functions at risk, are covered by the Fair Play Code of Conduct onboarding training. In addition, we offer comprehensive global training modules as well as specialized training on anti-bribery and anti-corruption topics by Regional Compliance Managers and Local Compliance Officers. Details on upskilling for

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the Fair Play Code of Conduct and compliance matters for the Executive Board and Supervisory Board members can be found in the 'Prevent' section, which describes our CMS.

► SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

We conduct trend analyses to ensure that we learn from cases, provide necessary interventions, and strengthen our internal processes to prevent any reoccurrences. Additionally, we continuously update our training programs to reflect lessons learned.

We empower our Compliance team to manage all cases, including allegations against senior leaders. Investigations are conducted with the highest level of professional skill, ensuring independence, including leveraging external resources where required.

The Compliance team is committed to conducting fair investigations with impartial investigators, ensuring that all parties involved are treated with respect. Any potential conflicts are managed promptly, and our CMS also includes built-in controls to restrict access of anyone who may be involved, including members of the Compliance team.

The Compliance team reports all cases of corruption and bribery to the CCO, the Executive Board, or the Supervisory Board/Audit Committee, as appropriate.

Metrics and targets

G1-4 – Incidents of corruption or bribery

There were no convictions and no fines for violation of anti-corruption and anti-bribery laws in the reporting period.

We are constantly reviewing our procedures to prevent, detect, and combat allegations or incidents of corruption and bribery, including our procurement process.

Data on fines, penalties or convictions related to violations of anti-bribery and anti-corruption laws as well as any legal proceedings for late payments has been collected and confirmed by the Local Compliance Officers of each legal entity.

G1-6 – Payment practices

adidas values the relationship with all of its suppliers and aims for a balanced approach to meet market conditions with regard to payment terms for all its suppliers. Consequently, we do not have the capability to identify small- and medium-sized suppliers in our systems yet. In 2025 we continued our efforts to work on a solution. Until this is resolved and to still comply with ESRS requirements, we are working with the assumption to report the payment terms that more than half of our suppliers have, which should cover a significant portion of small- and medium-sized suppliers as well:

adidas' standard payment term is 60 days from the invoice receipt date, and 54% (2024: 51%) of our suppliers are aligned with these terms. These 54% are paid on average within 65 days (2024: 68 days), and 94% (2024: 92%) of the payments to these suppliers are processed on time.

Among our entire group of suppliers, there were zero cases of legal proceedings for late payments registered in 2025.