

WORKING CONDITIONS IN THE COTTON INDUSTRY

The adidas Group and our consumers worldwide are aware of and concerned by the social and environmental conditions that exist today in certain parts of the cotton industry. These conditions, in the worst cases, include child labour, human exposure to pesticides and environmental pollution, among others.

One example is reported cases of the widespread use of forced child labour practices in cotton cultivation in Uzbekistan.

As an international sporting goods company we are committed to protecting human rights and we strive to promote compliance and implementation globally. We take responsibility for better working, living and environmental conditions in those places where it is possible for us to exert influence – in our own offices and factories, and especially in the factories of the suppliers manufacturing our products all over the world.

We also recognise that there are instances where, as an individual company, it is more challenging for us to influence change.

With Uzbekistan as one of the world's biggest exporters of cotton fibres, its cotton may be found in all types of products ranging from bed lining to clothing. It is often virtually impossible to trace the origin of the cotton in finished goods because it has been traded a number of times – and because we are not a direct buyer of cotton fibre ourselves.

To address this issue we have taken the following actions:

- We have been working within a broad network of garment brands and retailers, NGOs, trade unions, industry associations and others, in a joint effort towards eradicating this practice.
- We have been involved in the work of the Fair Labor Association (FLA) as well as the Better Cotton Initiative (BCI) as we aim to support sustainable and commercially viable solutions in the global cotton industry.
- We are working with our materials suppliers and expect them to continue in their efforts to track the origin of the cotton that is used in our products and to confirm that cotton from Uzbekistan is not knowingly used.
- We have piloted and are in the process of rolling out other approaches and methods for tracing the origin of cotton.
- We have obtained assurances from our organic cotton suppliers that their fibres do come from safe and certified sources. Organic cotton suppliers are formally required to have independent tracking systems in place.
- We have written to the Ministry of Foreign Affairs in Germany and have requested them to urge the Uzbek government to stop this practice, which is a clear breach of international law, and to collectively work with the ILO on improvement measures.

We believe that these actions can contribute to the common aim that cotton within the global supply chains is coming from sources that are safe and socially responsible.