

RISK AND OPPORTUNITY REPORT The adidas Group continuously explores and develops opportunities to sustain and maximize earnings and also to drive long-term increases in shareholder value. In doing so, we acknowledge that it is necessary to take certain risks to maximize business opportunities. Our risk and opportunity management principles provide the framework for our Group to conduct business in a well-controlled environment.

RISK AND OPPORTUNITY MANAGEMENT PRINCIPLES The adidas Group is regularly confronted with risks and opportunities which have the potential to negatively or positively impact the Group's asset value, earnings, cash flow strength, or intangible values such as brand image. We have summarized the most important of these risks and opportunities in this report in three main categories: External and Industry, Strategic and Operational, and Financial.

We define risk as the potential occurrence of external or internal events that may negatively impact our ability to achieve short-term goals or long-term strategies. Risks also include lost or poorly utilized opportunities.

Opportunities are broadly defined as internal and external strategic and operational developments that have the potential to positively impact the Group if properly exploited.

RISK AND OPPORTUNITY MANAGEMENT SYSTEM To facilitate effective management, we have implemented an integrated management system which focuses on the identification, assessment, treatment, controlling and reporting of risks and opportunities. The key objective of this system is to protect and further grow shareholder value through an opportunity-focused, but risk-aware decision-making framework.

We believe that risk and opportunity management is optimized when risks, risk-compensating measures and opportunities are identified and assessed where they arise, in conjunction with a concerted approach to controlling, aggregating and reporting. Therefore, risk and opportunity management is a Group-wide activity, which utilizes critical day-to-day management insight from local and regional business units. Support and strategic direction is provided by brand and global functions. Centralized risk management is responsible for the alignment of various corporate functions in the risk and opportunity management process and coordinates the involvement of the Executive and Supervisory Boards as necessary. Centralized risk management is also responsible for providing line management with relevant tools and know-how to aggregate and control risks and opportunities utilizing a consistent methodology.

ADIDAS GROUP RISK AND OPPORTUNITY MANAGEMENT SYSTEM

