

SUSTAINABILITY The adidas Group must manage wide-ranging commercial and competitive pressures to deliver growth. Simultaneously, we have a responsibility towards our employees and the environment, to ensure that decent working conditions and environmental standards are met throughout our global organization and supply chain. We always strive to manage both our own activities and our supply chain responsibly and to reduce our environmental impact. Moreover, we believe that acting as good corporate citizens will improve our corporate reputation and hence our economic value, helping us to be a sustainable company.

ACTIVE ENGAGEMENT WITH STAKEHOLDERS At the adidas Group, we pursue a policy of open dialog with our numerous stakeholders. We actively and systematically engage with them, involving them in key social and environmental decisions that shape our day-to-day operations. Through our membership in organizations such as the World Business Council for Sustainable Development (WBCSD), the World Federation of the Sporting Goods Industry (WFSGI), the Fair Factories Clearinghouse (FFC) and the Fair Labor Association (FLA), we work closely with top companies from a variety of sectors to develop sustainable business approaches and to debate social and environmental topics on a global level. In addition, we always strive to report in an open and transparent way. Comprehensive information on the Group's social and environmental programs is provided in our 2007 Social and Environmental Report and on our website. www.adidas-Group.com/sustainability

WORKPLACE STANDARDS SET RULES IN SUPPLY CHAIN

Following the acquisition of Reebok, we combined the best of both companies' previous social and environmental programs and created a new Group-wide set of Workplace Standards for our supply chain. These are based on International Labour Organization (ILO) and UN conventions relating to human rights and employment practices, and they follow the WFSGI model code of conduct. Our Workplace Standards contain clear rules of conduct regarding:

- ⇒ Environmentally sound, safe and healthy working conditions
- ⇒ Fair wages and benefits
- ⇒ Freedom of association
- ⇒ Prohibition of excessive overtime, forced and child labor
- ⇒ Protection against harassment and discrimination

These Standards help us select manufacturing partners and serve as guiding principles in the early identification and treatment of potential issues of concern at our suppliers' sites. To illustrate how suppliers should implement our Standards, we have created a set of guidelines for use in factory settings, which we update on a regular basis. Currently, we have six guidelines (complemented by specific supplementary materials) covering the following areas:

- ⇒ Health, Safety and Environment (HSE)
- ⇒ Employment Standards
- ⇒ Best Environmental Practice
- ⇒ Worker Cooperatives
- ⇒ Enforcement of Workplace Standards
- ⇒ Sustainable Compliance

The guidelines are also used by our Social and Environmental Affairs (SEA) team to determine suppliers' compliance with our Standards and to advise and train our suppliers in improving their social and environmental performance.