

Complaint Procedure for Human Rights & Environmental Impacts

Effective date: January 2023

Table of Contents

1. Purpose 3

2. Scope of application..... 3

3. Complaint channels 3

4. Confidentiality and protection against retaliation 4

5. Content of complaint..... 5

6. Complaint procedure 6

7. Further legal remedies and complaint channels 6

1. Purpose

adidas is committed to acting sustainably and responsibly. In conducting our business, we place particular emphasis on respecting human rights and protecting the environment, as expressed in our [Human Rights Policy](#). Our commitment to respecting human rights includes ensuring fair, safe and healthy working conditions in our global supply chain. To promote these objectives, we have established a code of conduct – the [adidas Workplace Standards](#) – that must be followed by all our contractual partners, as well as supporting [operational policies, procedures and guidelines](#). We regularly review compliance with these standards and seek to continuously improve them. In this respect, the complaints procedure outlined below plays an important role. The complaints procedure allows us to identify potential human rights and environmental risks both from our own business activities, and along our supply chain, at an early stage and, where appropriate, to remedy or support the remediation of actual impacts where these have occurred.

2. Scope of application

- (a) The complaints procedure enables individuals, groups and organizations to report human rights and environment-related risks as well as violations of human rights or environment-related obligations that have arisen due to our own business activities or in our supply chain.¹ Separate but related complaint mechanisms are available with respect to other topics covered by the [OECD Guidelines for Multinational Enterprises](#) (MNE Guidelines), such as anti-bribery and corruption and privacy. These parallel processes are managed by the adidas' Global Legal and Compliance team.
- (b) The procedure applies to actual or potential adverse human rights and environmental impacts in our direct, as well as indirect, supply chain.
- (c) The complaints procedure is primarily aimed at external parties. However, adidas employees can also submit complaints. These are processed via our internal Fair Play procedure.

Our complaints procedure is open to those directly affected, as well as those who are aware of potential or actual adverse human rights and environmental impacts. These include, for example:

- Workers employed in indirect and direct suppliers
- Business partners
- Trade unions, non-governmental organizations
- Other third parties, e.g., local communities

3. Complaint channels

To make the procedure accessible to everyone, we have created various ways to file complaints:

- (a) Workers who are employed in our supplier facilities may contact staff members of our Social and Environmental Affairs (SEA) team directly.
- (b) In addition, complaints can be submitted by individuals employed in our supplier facilities via the third-party tool “Workers Voice” as well as our local worker hotlines. The hotlines are operated by trained, impartial employees of our SEA team, or in some countries, such as Bangladesh, by independent third parties who speak the local languages of the worker populations.

¹ As a minimum, these include human rights and environmental obligations as detailed in the [German Supply Chain Due Diligence Act](#).

- (c) Complaints can also be submitted by telephone or in writing (by email or post) to the respective SEA team. The complaint does not have to be submitted in English, it can be submitted in the individual's or organization's native language.

Our SEA teams can be reached via the central mailbox sustainability@adidas-group.com, or at the following addresses:

Europe, Africa and the Middle East	Asia Pacific	North, Central and South America
adidas Social and Environmental Affairs Adi-Dassler-Strasse 1 91074 Herzogenaurach GERMANY <u>For the attention of:</u> Mr Christopher Buckley christopher.buckley@adidas-group.com Tel: +49 160 97093841	adidas Social and Environmental Affairs 10th Floor, The Quayside Kwun Tong HONG KONG SAR <u>For the attention of:</u> Mr William Anderson william.anderson@adidas-group.com Tel: +852 2302 8654	adidas Social and Environmental Affairs 5055 North Greeley Avenue OR 97217 USA <u>For the attention of:</u> Mr Selcuk Buyukozer selcuk.buyukozer@adidas-group.com Tel: +1 781 363 0544

4. Confidentiality and protection against retaliation

The complaint can be made by a named complainant or anonymously. Ideally, adidas would like to contact a complainant and verify the details of any allegation, but we do understand that at times, individuals may wish to make an anonymous complaint.

The more information that is provided to us, the better we can investigate the facts and provide for or support solutions. Open and transparent handling of the complaint – meaning that all information received will be provided to all other parties to the complaint and will include an open process of engagement, social dialogue or other form of dispute resolution often contributes to effective problem solving. However, without explicit consent to a transparent handling of the complaint, the identity of the complainant will be treated confidentially.

adidas recognizes the risk of retaliation facing workers making complaints about their employment conditions, or individuals raising issues related to human rights violations or environmental damage. adidas protects complainants from retaliation due to a submitted complaint via our Non-Retaliation Policy:

adidas' Non-Retaliation Policy

adidas prohibits any form of retaliation against persons who have filed a complaint with adidas. It is irrelevant whether the grievance or complaint proves to be justified or unfounded.

If a person, group or organization believes that they have been subject of retaliation due to their registering a complaint with adidas, they should contact us immediately and provide the specific details of what has occurred. We will investigate and if there is evidence of retaliation against them, we will take action to remedy the situation. This may require, for example, the issuing of a warning letter to a business partner, if it is found that they have retaliated against a worker, or a worker representative, for disclosing workplace issues, or it may demand the intervention of government, when a legal or administrative remedy is required. As retaliation can take many forms (loss of job, demotion, involuntary transfer, harassment, intimidation, etc.) we will deal with each incidence on a case-by-case basis and look for tailored solutions.

5. Content of complaint

By providing the following voluntary information, you support us in the effective processing of your complaint:

- **Contact details:** Name and contact details of the complainant and his/her employer
- **Name of the adidas entity or the name of the supplier/contractor or employer:** Name of the affected entity / department or business partner of adidas
- **Worksite:** Worksite name including information that allows us to identify the specific location of the worksite (e.g., factory, warehouse, business unit, or activity) to which the complaint relates
- **Alleged risk or violation:** Describe the human rights or environmental risk, or violation, being reported (including: brief description, any supporting evidence, and the date or period when the alleged risk or violation occurred)
- **Scope and scale:** How many people are affected? How serious is the violation and/or how serious are the negative effects on human rights or the environment?
- **Solution:** What do the complainants want to see happen to remedy the situation?
- **Confidentiality:** Indication of whether the complainant or a party to the complaint must remain anonymous and the reasons for anonymity
- **Parallel procedure:** Has a formal complaint already been submitted to the entity that has caused or is at risk of causing the violation, which is the subject of the complaint? Have mediation, arbitration or court proceedings been initiated? Have local or international authorities already been contacted?
- **History:** Has the issue been the subject of previous complaints to adidas via another complaint mechanism? Has the issue been raised with other organizations, for example local government agencies?
- **Further information:** Including, for example, naming any other organization that might have useful information directly relevant to the complaint, or information regarding ethnic, cultural or political issues that will have a bearing on the alleged violation and how it can be investigated.

6. Complaint procedure

The processing process of a complaint can be broken down into the following steps:

(a) Confirmation of receipt

adidas confirms receipt of the complaint within five working days and informs the complainant of a contact person for its process.

(b) Review of the complaint

adidas will assess whether the facts described include potential violations under applicable national or international law or other violations of the adidas Workplace Standards. adidas will also review whether sufficient information is available for further processing. If this is not the case, adidas will contact the complainant – if possible – or otherwise attempt to obtain the missing information. If this is not possible despite all efforts, the complaint is not accepted and the complainant is informed of this, stating reasons.

(c) Clarification of the facts and development of a solution

Accepted complaints will be forwarded to the relevant SEA team or local compliance officer. The responsible employees are trained, exercise their duties independently, and are obligated to act impartially and to maintain secrecy and confidentiality. The relevant team member will discuss the facts with the complainant and determine the complainant's expectations with regard to possible prevention, mitigation or remedial measures. To clarify the facts of the case, investigations are initially carried out. If necessary, adidas may commission an independent third party to conduct an external investigation or to support with mediation.

(d) Preventive or remedial measures

If a human rights or an environmental risk or violation has been identified during the investigation, adidas is committed to providing for, or cooperating in, preventive, mitigative or remedial measures. Where appropriate, and if desired by the complainant, mutual dispute resolution can be sought. Our approach and efforts are informed by the [UN Guiding Principles for Business and Human Rights](#) (UNGPs) and the OECD MNE Guidelines.

(e) Completion and review

The complainant is informed about the conclusion of the proceedings and receives a brief summary of the result and is asked if they are satisfied with the actions taken or resolution achieved. The responsible SEA team or the responsible Compliance Officer monitors compliance with the agreed preventive or remedial measures. If necessary, adidas will commission an independent third party for this purpose.

(f) Effectiveness check of the procedure

This complaint procedure is an integral part of adidas' human rights and environmental due diligence (HREDD) system. As such, adidas will evaluate the effectiveness of the procedure annually and/or as needed. In particular, the feedback of complainants and other affected stakeholders is used to drive continuous improvement. The number of complaints received and their status (e.g., ongoing, closed, rejected) are published on our website, as is a summary and analysis of cases handled annually.

7. Further legal remedies and complaint channels

An individual, organization, group or community submitting a complaint is free to pursue their legal rights and access all available judicial mechanisms, in parallel with, or following adidas' consideration of their complaint. In fact, pursuing such a course of action may be vital if matters of national law, or legal interpretation, are important elements of a complaint.

In addition to formal legal remedies, individuals or organizations are free to use other independent channels to file complaints. In particular, reference can be made to the following complaint mechanisms:

(a) Fair Labor Association (FLA)

adidas is a founding member of the Fair Labor Association (FLA). The FLA is a non-profit association of universities, non-governmental organizations and companies that are committed to complying with national and international labor laws and standards. The FLA has established a complaint procedure to allow individuals and organizations to report persistent or serious violations of employee rights in companies. This procedure serves as a supplement to cases in which the company's own complaint procedures could not provide a remedy. You can find further information at the following link: [Fair Labor Investigations - Fair Labor Association](#)

(b) National Contact Point for the OECD Guidelines (NCP)

adidas is committed to complying with the OECD Guidelines for Multinational Enterprises (MNE Guidelines). An English version of the OECD Guidelines can be downloaded here: [48004323.pdf \[oecd.org\]](#). The OECD Guidelines contain recommendations for responsible corporate conduct in a global context and concern, among other things, the areas of human rights, employment policy and environmental protection.

The National Contact Points (NCPs) in the participating countries promote the effective implementation of the OECD guidelines. In the event of complaints due to any violations of the OECD guidelines, they provide a neutral forum for dispute resolution. For this purpose, the German National Contact Point (NCP) has set up a complaint procedure that is open to natural or legal persons, trade unions and non-governmental organizations. The corresponding complaint form can be found here: [oecd-leitsaetze-fuer-multinationale-unternehmen-beschwerde-bei-der-deutschen-nationalen-kontaktstelle.pdf \[bmwk.de\]](#)