

MODERN SLAVERY PROGRESS REPORT 2025

At adidas, we recognize our responsibility to respect human rights and are committed to preventing and addressing modern slavery and forced labor across our global operations and value chain.

This statement outlines the actions we have taken during the reporting period from 1 January 2025 to 31 December 2025 to identify, mitigate, and prevent risks of modern slavery, and to remedy any adverse impacts identified. This statement was prepared in consultation with relevant internal functions and regional teams across adidas, including Sustainability, Sourcing, Global Legal, and Social & Environmental Affairs.

This statement applies to adidas and its consolidated subsidiaries and is made in accordance with applicable modern slavery and supply chain transparency legislation, including the UK Modern Slavery Act, the Australian Modern Slavery Act, the California Transparency in Supply Chains Act, the Norwegian Transparency Act, and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

I. Our Organization and Supply Chain Structure

adidas AG, headquartered in Herzogenaurach, Germany, is a leading global sporting goods company, operating in over 40 countries. Almost all our products are manufactured by independent suppliers, with the majority of production taking place in Asia. Our value chain spans multiple tiers, including directly contracted Tier 1 suppliers, subcontractors, licensees and agents.

In 2025, we worked with 444 individual Tier 1 manufacturing facilities and their Tier 1 subcontractor facilities, in nearly 40 countries. We continue to publicly disclose our [global supplier lists](#), including Tier 1 suppliers, subcontractors, licensees, and selected material suppliers, and update this information regularly to support transparency and accountability. We also publish our supplier lists annually on [Open Supply Hub](#), an industry initiative that promotes open and transparent sharing of retail supply chain data.

II. Our Policies and Governance Framework

Policies

Our commitment to preventing forced labor, child labor, and human trafficking is set out in our Human Rights Policy, which is grounded in internationally recognized standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and ILO core conventions. This commitment is supported by key policies and standards, including:

- adidas Workplace Standards (our supplier code of conduct)
- Policy on Responsible Recruitment
- Responsible Sourcing and Purchasing Policy
- Modern Slavery Policy Framework and Strategy Implementation

These policies define our expectations for suppliers and business partners and are publicly available on our [corporate website](#).

Governance

The Executive Board, under the oversight of the Supervisory Board, sets the strategic direction for human rights at adidas. Operational responsibility for the implementation of our Human Rights Policy lies with the Chief Human Rights Officer. Dedicated risk owners across functions and regions are responsible for identifying, assessing, and managing human rights risks within their respective areas, and for reporting regularly on progress and effectiveness.

II. Our Human Rights and Environmental Due Diligence (HREDD) Process

We apply a comprehensive Human Rights and Environmental Due Diligence (HREDD) framework to identify, prevent, mitigate, and remediate adverse human rights impacts across our own operations and value chain. Our due diligence approach is risk-based and prioritizes high risk countries, sectors, processes, and worker groups, including migrant workers.

In 2025, we achieved our public target to have 100% of our upstream value chain and own operations covered by systems to identify and manage high risk human rights issues. These systems include – but are not limited to – integrated country level risk assessments, factory level audits and risk ratings, supplier performance monitoring, and enhanced upstream materials risk mapping.

Our risk assessments are designed not only to identify where forced labor and child labor risks are most likely to occur, but also to trigger timely and proportionate actions to prevent, mitigate, and remediate adverse impacts, as described in the following section.

III. Addressing Identified Risks

We maintain a zero tolerance approach to forced labor and child labor. Compliance with our Workplace Standards is monitored through a combination of internal and third party audits, worker voice tools, grievance mechanisms, and targeted investigations. Where forced labor or child labor risks are identified or materialize, our approach to address these risks and remediate them prioritizes the protection of affected individuals and the prevention of recurrence.

Recognizing the challenges of directly addressing forced labor and child labor risks in the global upstream supply chain – particularly at the raw materials level – we rely on industry-led initiatives and collaborative approaches to exert influence and create the necessary leverage to effect change. The approaches described below are examples of efforts we have taken with the industry to address risks of forced labor and child labor in our supply chain.

Responsible Recruitment of Foreign Migrant Workers

In 2025, we continued to advance our responsible recruitment commitments and address risks of forced labor in our supply chain through close, coordinated action with industry peers, suppliers, and multi-stakeholder initiatives. These actions reflect measurable steps toward addressing forced labor risks and ensuring accountability across the Tier 2 supply chain.

Together with the American Apparel & Footwear Association (AAFA) and the Fair Labor Association (FLA), adidas actively participated in industry working groups and supplier engagements addressing

recruitment fee practices affecting foreign migrant workers (FMWs) in targeted Tier 2 and Tier 3 facilities in Taiwan.

Brands engaged both collectively and directly with suppliers to develop, implement and verify recruitment fee reimbursement programs, prioritizing reimbursement for current workers, in line with international guidance. Progress against corrective action plans (CAPs)—including fee repayment, improvements in recruitment and labor-agent oversight, and strengthened employment practices—was monitored through shared tracking and follow-up verification by external third parties. To monitor progress, we also launched worker surveys at several supplier facilities for direct feedback and transparent tracking of remediation progress.

Preventing Child Labor in our Supply Chain

Where child labor is identified, remediation actions are guided by the best interests of the child and include the immediate removal of the child from hazardous work, access to appropriate education or vocational training, and measures to support income replacement for families, while addressing root causes to prevent recurrence.

In 2025, we continued to address child labor risks in upstream cotton production in India through our participation in the Fair Labor Association's (FLA) *Harvesting the Future – Cotton in India* initiative. During the year, the project focused on establishing an operational foundation in 32 cotton growing villages in Madhya Pradesh, including mapping households and farms, identifying children and workers at risk, strengthening community-based child protection mechanisms, and supporting school retention and education referral services through Child Labor Free Zones. Capacity building activities were also implemented with suppliers, farmers, and local stakeholders to strengthen human rights due diligence, raise awareness of child labor risks, and improve farm level labor practices. More [information on the project's progress and outcomes](#) has been shared publicly by the FLA.

IV. Grievance Mechanisms and Access to Remedy

We provide multiple grievance channels for workers and external third parties to raise concerns, including operational grievance mechanisms like our digital worker voice tool, 'Worker Voice (WOVO)', worker hotlines managed by our Social & Environmental Affairs (SEA) department, and a third-party complaints mechanism. Additionally, as part of our membership in the Fair Labor Association (FLA), any third-party can report violations of workers' rights in adidas facilities.

The 'Worker Voice (WOVO)' platform serves as an operational grievance mechanism at all our core supplier sites. 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. Close to 47,200 human and labor rights complaints were received through the platform during the reporting period, with 99% of these complaints being closed by the end of 2025. The case satisfaction rate, workers' level of satisfaction with complaint resolution, has more than doubled from 39% in 2019 to nearly 79% in 2025.

Of the complaints received in 2025, none were linked to forced labor or child labor. The top complaints received were related to internal communication (approximately 13,300), benefits (approximately 8,300) and general facilities (approximately 5,800).

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%). There were no validated individual complaints related to forced labor or child labor during the reporting period.

We also operate a [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. In 2025, adidas [handled a total of 19 cases](#) – 12 were new cases received in 2025 and 7 were cases which were previously received and remained unresolved as of the prior reporting period ending 31 December 2024. A total of 15 cases were successfully closed in 2025, and 4 cases remain ongoing pending further action, resolution, or complainant satisfaction. Most of the cases received through this process relate to freedom of association and collective bargaining, employment practices, and compensation and benefits. There were no reported cases or concerns related to forced labor or child labor.

Feedback from grievance mechanisms is systematically reviewed and used to strengthen risk identification, remediation practices, and preventive measures across the value chain.

V. Performance Evaluation and Effectiveness Review

We regularly assess the effectiveness of our modern slavery and forced labor due diligence through a review of audit outcomes, remediation progress, grievance data, and independent assessments.

In addition, our human rights due diligence program continues to be subject to external verification through the Fair Labor Association (FLA) assessment processes. In 2025, we maintained our accreditation as an industry leader with the Fair Labor Association (FLA). We scored over 95% on all principles evaluated by the FLA milestone evaluations, representing the highest level of performance on implementation of FLA standards.

VI. Stakeholder Engagement and Collaborative Initiatives

We engage on an ongoing basis with a range of stakeholders—including workers and worker representatives, suppliers, industry peers, multi-stakeholder initiatives, civil society organizations, and, where relevant, governments—to inform our human rights and modern slavery due diligence. Engagement takes place through participation in industry and multi-stakeholder initiatives, structured supplier dialogue, and issue-specific consultations in higher-risk contexts.

Key examples from 2025 include the industry collaboration in Taiwan to address responsible recruitment risks affecting foreign migrant workers and the efforts led by FLA to transform working conditions in the cotton sector in India, both described in detail above.

We also engaged with the Leather Working Group (LWG) by joining its Social Responsibility Technical Task Team. The Task Team was established to develop social and labor requirements for the LWG Leather Production standard, with the aim of strengthening responsible sourcing and production practices in the leather sector. In 2025, this work resulted in draft social and labor requirements that were released for public consultation, which closed in December. adidas will continue to engage with LWG in 2026 as the standard setting process progresses. In addition to driving industry best practice, this engagement also supports our integration of human rights considerations into materials related due diligence and alignment with our broader Human Rights and Environmental Due Diligence (HREDD)

framework.

VII. Training and Capacity Building

We continue to build awareness and capability among employees and suppliers through targeted training on human rights, modern slavery risks, and responsible recruitment. In January 2025 we refreshed and relaunched our Modern Slavery training to reflect the evolving regulatory landscape. The updated online training was made available to all corporate employees globally, supporting increased awareness and capacity to identify and manage modern slavery risks across the organization.

VIII. Looking Forward

We remain committed to continuous improvement in preventing and addressing modern slavery risks. Building on the progress achieved in 2025, we will continue to strengthen responsible recruitment practices and collaborative action, while enhancing the effectiveness and transparency of our human rights due diligence systems in line with evolving regulatory expectations. In 2026, our priorities include:

- We will continue to lead industry-wide collaborative efforts to strengthen responsible recruitment practices, and will review our [Responsible Recruitment Policy](#) and relaunch the policy together with updated supplier guidance and capacity building to ensure that the *Employer Pays Principle* is applied across our supply chain.
- We will continue to monitor developments related to the European Union Forced Labor Regulation and engage in discussions on the development of guidance to support its implementation, as part of our ongoing regulatory readiness and compliance efforts.