

Our Ongoing Efforts to Tackle Modern Day Slavery - Looking Back at 2015

'Modern Day Slavery' is an umbrella term, which in the context of global supply chains often relates to cases where individuals are the subject of human trafficking, forced labour, or debt servitude; where coercion, threats or deception are used to intimidate, penalize or deceive workers, thereby creating situations of involuntary work and exploitation.

What did we do in 2015 to tackle Modern Day Slavery in our global supply chain?

We conducted a range of activities, as part of our wider efforts to respect human rights. These activities are summarized below.

In recent years the [Cotton Campaign](#) has worked tirelessly to draw public attention to the use of forced labour in the cotton production and harvesting in Uzbekistan. In February 2015 adidas Group achieved the highest ranking of 49 brands judged for their efforts to eliminate Uzbekistan-sourced cotton in their supply chains. This was the second year in a row that we achieved the highest rating in the Responsible Sourcing Network's evaluation of brands who have signed RSN's Cotton Pledge.

At the end of July we followed up our year-long engagement with an international electronic brand, who was the dominant buyer in a shared electronics supplier, calling on them to follow our stricter policy on eliminating foreign worker deductions. It was agreed that the shared supplier fully absorb government fees levied against foreign workers in Malaysia.

In August 2015 we reviewed the application of our current Forced Labour and Human Trafficking policies (which are publicly disclosed) in relation to the requirement of the [UK Modern Day Slavery Act 2015](#). As our UK subsidiary has a turnover exceeding GBP36 million per year, adidas Group is required to publish an annual Slavery and Human Trafficking Statement. The statement should describe the steps that have been taken during the financial year to ensure that slavery and human trafficking is not taking place within a business, or in any of its supply chains.

In September 2015 we renewed our company pledge against forced labour in the Uzbek cotton industry. And at the end of September we joined other member brands of the Fair Labor Association, Ethical Trade Initiative and Fair Wear Foundation, in co-signing a letter to the Turkish Prime Minister, calling on the Turkish government to regularize employment for Syrian workers. We did so in the belief that without a legal right to work, Syrian refugees will face exploitation from unscrupulous employers.

In early October we attended the Mekong Club's High-level Practitioner Meeting - Emerging Trends in Legislation, with a particular focus on current laws in the US on government contractors and suppliers. We joined the [Mekong Club](#) in 2013; a not-for-profit group which uses a business-to-business approach to fight slavery.

In mid-October 2015 we appointed a Senior Manager within the Social & Environmental Affairs department to head up our outreach programme for the upstream supply chain, which will specifically target Modern Day Slavery practices. This is part of a 5 year plan to broaden our efforts to tackle Modern Day Slavery along our extended supply chain, that is, the upstream supply chain which is not reached by our formal auditing practices. Our regular compliance audits remain an important risk assessment tool, as they check for forced labour, child labour and other egregious issues in our Tier 1 Manufacturing Partners and selected Tier 2 Embellishers and our key Materials suppliers.

At the end of 2014 adidas Group joined the OECD Advisory Group on Responsible Supply Chains in the Textile, Garment and Footwear Sector and in October 2015 we submitted comments on the OECD's draft *Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector*, including the proposed chapter on Forced Labour practices.

In November we completed training for all of our manufacturing and materials supply chain partners in Taiwan, highlighting the risks of bonded labour and how passport retention and the burden of recruitment fees impacts the rights of migrant workers. This repeated similar supply chain training that we had run in past years in Thailand, Malaysia and Japan.

Also in November – at our annual Global Supplier Summit hosted in Shanghai - we announced a new Modern Day Slavery Outreach programme, calling on our strategic Tier 1 and Tier 2 partners to help us tackle the risk of human trafficking, forced labour and child labour across our extended supply chain.

Finally, at the end of November we confirmed that none of our nominated Tier 2 material suppliers (spinning mills, etc.), nor any of our vertical Tier 1 suppliers, used cotton for adidas Group products sourced from companies identified by the Cotton Campaign as operating in Turkmenistan.