



Integrating Sustainability throughout the Value Chain

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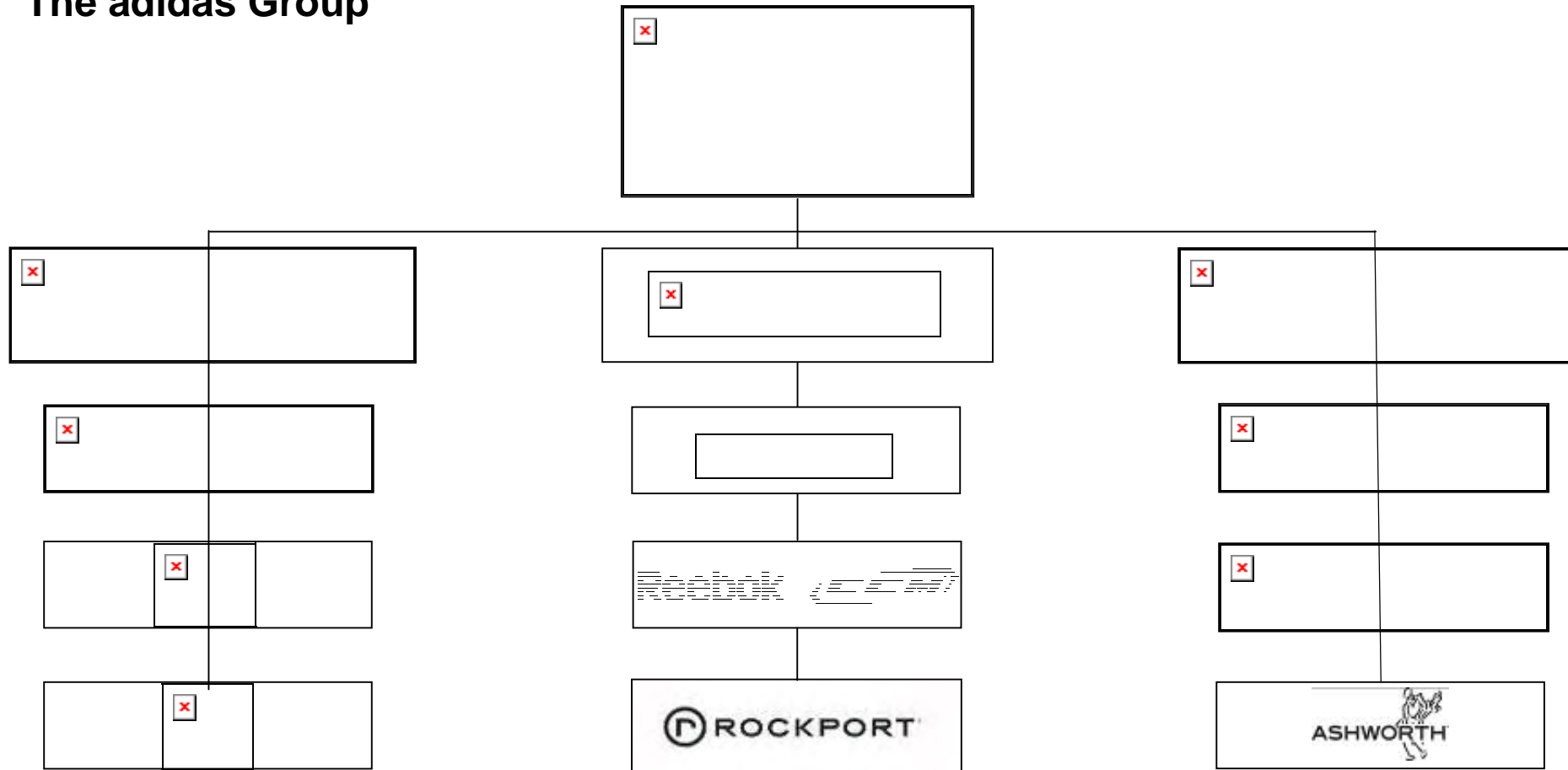
Social and Environmental Affairs (SEA) Department

Overview



Introduction

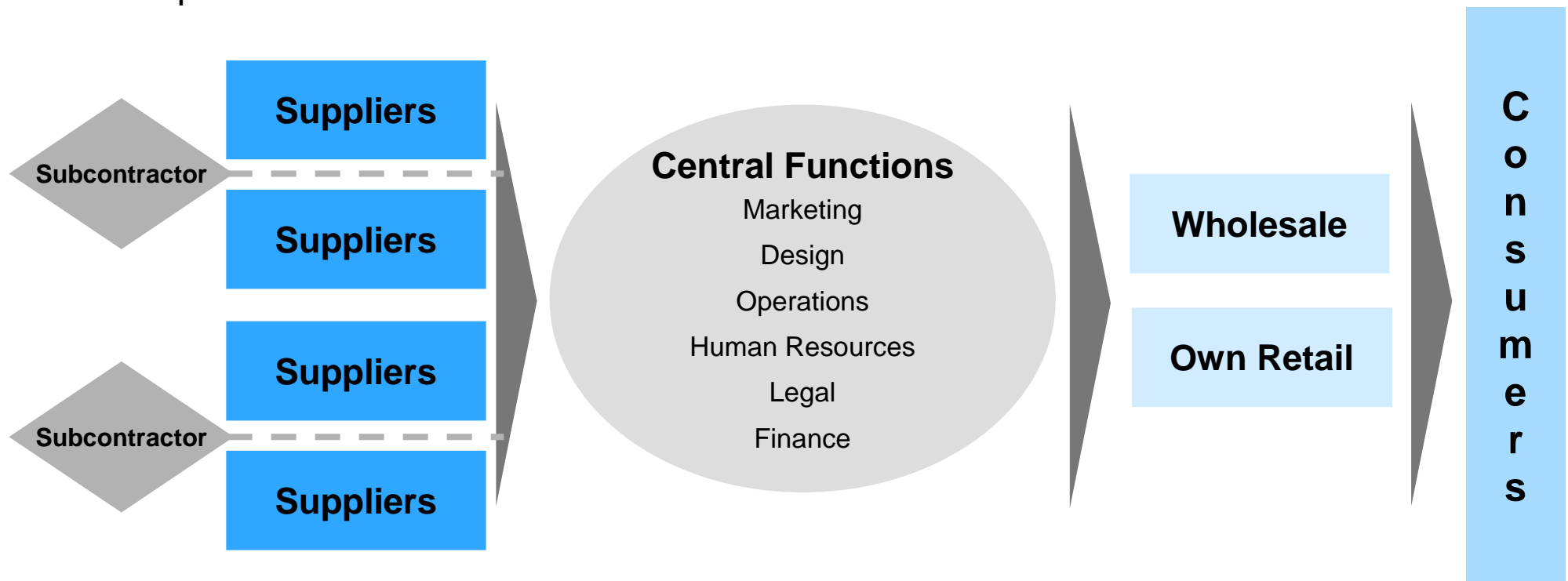
The adidas Group



Introduction

The Business Model

- Global sourcing and distribution
- Local market production by sales subsidiaries
- Cooperation with licensees



Introduction

Corporate Sustainability Mission

The adidas Group strives to be the global leader in the sporting goods industry.

Leadership means that we are dedicated to socially responsible, safe and environmentally sound practices in the company and its supply chain to enhance the value of our brands.

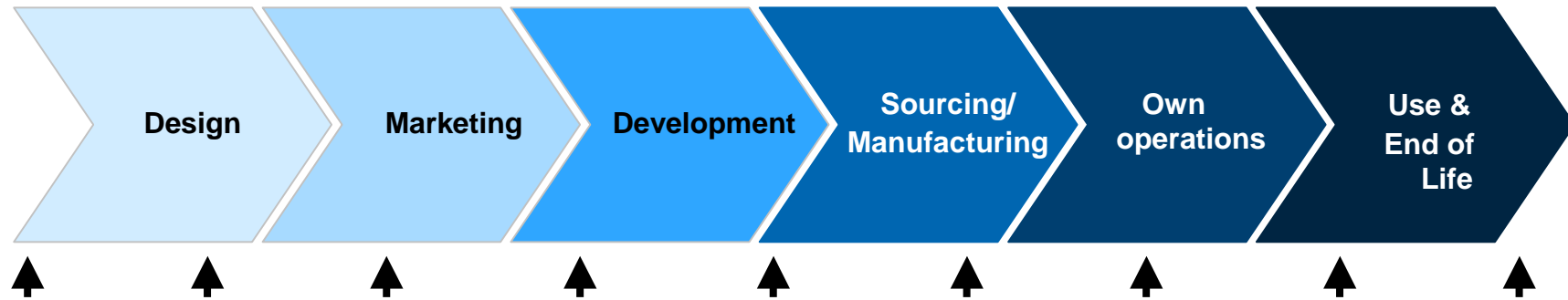


Recognition

- **Dow Jones Sustainability Index:** listed since 2000
 - *Super Sector Leader* (2008 and 2009)
 - *Best Performer.* Industry leader in the apparel and footwear sector
 - *Gold Class:* Highest average performance
 - *Best Mover.* Best development performance
- **FTSE4Good Europe Index:** Listed since 2000
- **Ethibel Index:** Listed since 2003
- **Global 100 Most Sustainable Corporations** (since 2005)



Sustainability in the Value Chain - Our approach



Environmental Aspects

Sustainable resource use

- Energy efficiency and climate change
- Water conservation
- Materials
- Efficiency

Emissions

- Water discharge
- Waste
- Air emissions
- Noise
- Soil and groundwater contamination

Risks and hazards

- Chemicals

Sustainability in the Value Chain – Product creation



Product Creation and the development of sustainable products

Encompasses for us:

- Design
- Marketing
- Development



adidas Better Place



Concept

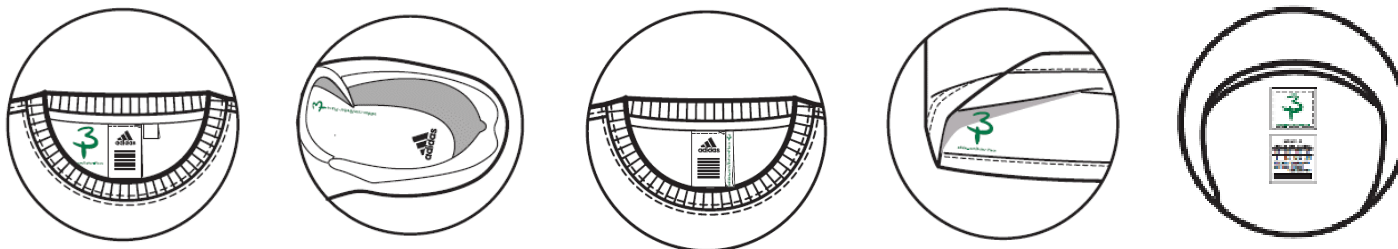
- Launched SS09
- Holistic, Life-Cycle approach on sustainable product creation
- Better Place Guidelines
 - Design
 - Materials
 - Construction (pattern efficiency)



Products meeting this criteria are labeled as Better Place to the consumer



adidas.com/Better-Place



Sustainable Materials



Our approach:

- **Innovate** new sustainable materials through close collaboration with suppliers
- Further improve our internal **material assessment tool**
- Implement new **sourcing models**
- **Collaboration** with external organisations and brands
 - Organic Exchange
 - Sustainable Roadmap of DEFRA (UK)
 - European Outdoor Working Group



Sustainable Materials



LCA for rPES:

- Results have been compared with other commodity fibers
- The LCA results of the study show that recycled polyester fibres offer important environmental benefits over virgin polyester.
 - non-renewable energy use (NREU) savings of 40-85%
 - global warming potential (GWP) savings of 25-75%



Sustainability in the Value Chain – Sourcing



Managing impacts and risks in the supply chain

- Sourcing regions
- Workplace aspects
- Environmental aspects



Environmental aspects

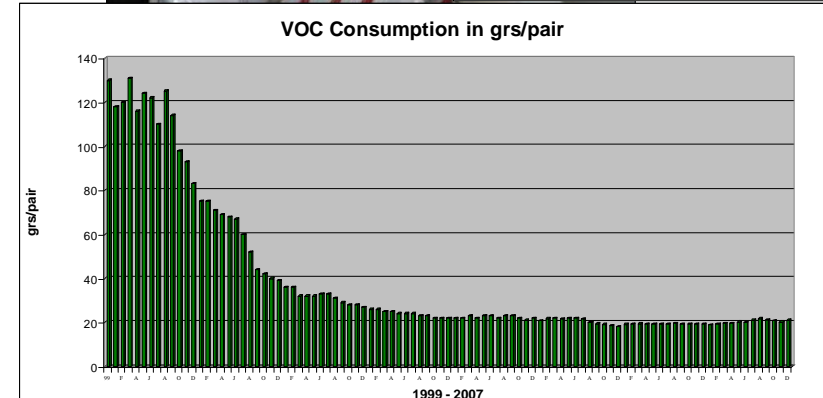
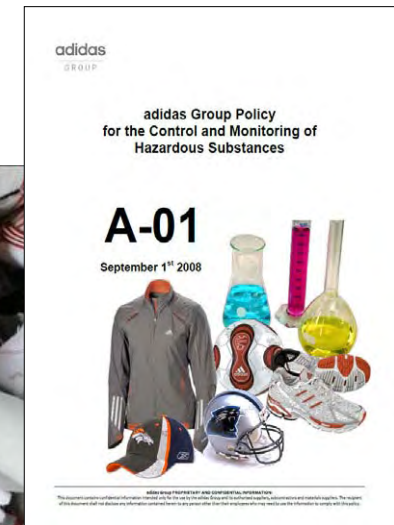


Improving our Environmental Footprint

- Restricted substances
- Footwear factories:
 - VOC management
 - Reporting
 - Environmental management systems
- Energy workshops for suppliers since 2007
- Auditing schemes for focus suppliers
- Improvement program and targets for apparel suppliers

Supplier engagement

- Raising environmental awareness and promoting best practices
- Stakeholder meetings with suppliers



THE ENERGY EFFICIENCY WORKSHOP

Raising issues on reducing energy

Guangzhou, China 26-27 March 2007

Ho Chi Minh City, Vietnam 29-30 March 2007

Sustainability in the Value Chain – Our own operations



Managing impacts in our own Operations

- Offices
- Own manufacturing
- Warehouses



Managing impacts in our own operation

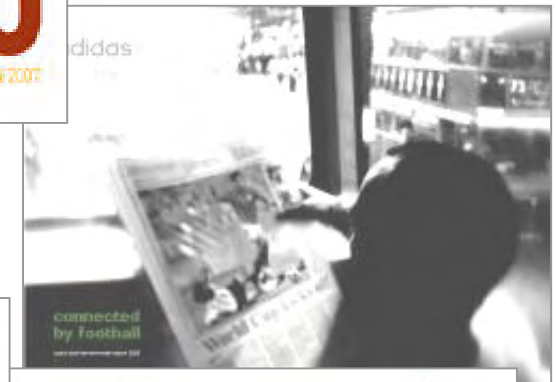
- **Development of Group-wide targets**

- Energy consumption
- Carbon emissions
- Water consumption
- Waste



Reporting

Annual Social and Environmental Report



Thank you

