For that reason, Adidas ORG has set targets that will help Adidas ORG limit emissions aligned with the 1.5 CARDINAL benchmark and contribute to a net-zero future. Adidas ORG has committed to achieving climate neutrality across its own operations by 2025 DATE . Adidas ORG has committed to reducing absolute greenhouse gas emissions across the entire value chain by 30% PERCENT by 2030 DATE , measured against a baseline of 2017 DATE . Adidas ORG has committed to achieving climate neutrality across the entire value chain by 2050 DATE . Adidas ORG 's emission reduction targets by 2030 DATE have been approved by the Science Based Targets initiative. Within the 2025 CARDINAL target, Adidas ORG commit to reducing absolute Scope 1 CARDINAL and 2 CARDINAL emissions by 90% PERCENT from a baseline of 2017 DATE . This target is consistent with the reduction pathways needed to prevent a rise in average temperatures of more than 1.5 degrees QUANTITY , the most ambitious goal of the Paris Agreement LAW . Adidas ORG 's reduction target for value chain emissions meets the SBTi ORG 's criteria for ambitious value chain goals, meaning they are in line with current best practices. Adidas ORG 's Environmental Footprint Tool enables Adidas PRODUCT to quantify, monitor, and be transparent about Adidas ORG 's carbon footprint not only across Adidas ORG 's own operations, but along Adidas ORG 's entire value chain. Results for 2022 DATE clearly show again that Adidas ORG 's environmental impacts are distributed unequally across the value chain, with the most significant impacts generated in the supply chain, particularly raw materials production and processing. Adidas ORG

is moving ahead with Adidas ORG 's ambition to fully integrate the tool into Adidas ORG 's existing data-tracking systems to enable real-time simulations. The following table shows the total annual DATE emissions across Adidas ORG 's value chain. The average Scope 1 CARDINAL , 2 CARDINAL , and 3 CARDINAL annual emissions per product for 2022 DATE decreased compared to the previous year DATE . This reduction was majorly driven by Adidas ORG 's focus on innovation that enabled Adidas PRODUCT to, for example, reduce emissions through low-carbon manufacturing and materials. In 2022 DATE , 96% PERCENT of all polyester Adidas PRODUCT used was recycled polyester, ensuring Adidas ORG is on the right path to achieving Adidas ORG 's target to only use recycled polyester. By continuing to focus on Adidas ORG 's decarbonization strategy which includes further material innovation, switching to cleaner energy sources at Adidas ORG 's supplier facilities, enabling low-carbon design for Adidas ORG 's products, and achieving climate neutrality across Adidas ORG 's own operations, Adidas ORG will ensure Adidas ORG stay on track to achieve Adidas ORG 's target of 15% PERCENT emission reduction per product by 2025 DATE . Scope 1 CARDINAL and 2 CARDINAL : Impacts are estimated calculated based on reported environmental quantities in the Health and Safety, Environment ORG , and Energy ORG own operations workplace governance data collection systems. Intensity factor does not include emissions from Use of sold products to ensure alignment with Adidas ORG 's reduction target for 2030 DATE as approved by the Science Based Targets initiative. Despite reducing Adidas ORG 's emission intensity, as shown in the table, due to an increase in the number of products Adidas PRODUCT created and shipped, and due to the return of employees to the offices after the pandemic, Adidas ORG see a slight increase in the total absolute

emission compared to the previous year DATE . Measuring Adidas ORG 's product footprint: In order to create new and elevated consumer experiences, Adidas ORG is developing and implementing tools that bring more transparency to Adidas ORG 's product creation process, enabling Adidas ORG 's development and innovation teams to identify materials as well as create products and concepts with lower carbon footprints. Following the launch of Adidas ORG 's most climate-friendly shoe in collaboration with Allbirds, Adidas ORG continued to scale Adidas ORG 's capabilities to calculate and communicate Adidas ORG 's product footprints visible to consumers. During 2022 DATE , Adidas ORG introduced the Adizero Lightstrike PERSON with a carbon footprint of 3.5 kg QUANTITY CO2e per pair, achieving a 42% PERCENT reduction compared to the previous version, and the Supernova 2 PRODUCT with a footprint of 8.9 kg QUANTITY CO2e per pair, an 11% PERCENT reduction. Identifying ways Adidas PRODUCT can make lower-impact products requires a detailed and thorough approach that includes not only optimizing Adidas ORG 's own operations but also the manufacturing of each of Adidas ORG 's products. And since most of Adidas ORG 's carbon emissions occur outside Adidas ORG 's direct control, Adidas ORG collaborate with Adidas ORG 's suppliers located across the globe, helping them improve their carbon footprint during production processes. Adidas ORG continued to work with Adidas ORG 's suppliers to ensure they are continuously optimizing their environmental footprint in energy use and carbon emissions. Strategic suppliers producing most of Adidas ORG 's products and materials are enrolled in Adidas ORG 's environmental program, which means Adidas ORG partner closely with them and provide suitable training to achieve their targets and progressively improve their footprint. At the start of 2022 DATE , Adidas ORG reached a

major milestone on Adidas ORG 's path to meeting that goal, when Adidas ORG shared a set of clear expectations, the Adidas Decarbonization Manifesto LAW , with Adidas ORG 's strategic Tier 1 CARDINAL and Tier 2 CARDINAL suppliers. This Manifesto WORK_OF_ART clearly presents how Adidas ORG expect Adidas ORG 's suppliers to support Adidas ORG 's decarbonization efforts. Adidas ORG 's expectations include: Environmental stewardship: Suppliers should set targets that get approved by the SBTi by 2024 DATE . Materials: 100% PERCENT of new material offered to Adidas ORG must be of sustainable content and produced using low-carbon-intensive processes. Meeting the conditions of Adidas ORG 's Manifesto WORK_OF_ART will form the basis for continuing business operations with Adidas ORG 's suppliers beyond 2025 DATE . Tier 1 CARDINAL suppliers are responsible for product assembly, Tier 2 CARDINAL suppliers are Adidas ORG 's material manufacturers. Beyond that, Adidas ORG have driven various initiatives to help suppliers scale their use of renewable energy and increase their energy efficiency: Phasing out coal-fired boilers: With only one CARDINAL exception for administrative reasons, Adidas ORG have been successful in ensuring Adidas ORG 's suppliers refrained from installing new coal-fired boilers, heaters, or power generation systems from 2022 DATE onwards, and remain committed to phasing out coal-fired boilers at all Tier 1 CARDINAL and Tier 2 CARDINAL direct supplier facilities by 2025 DATE . Adidas ORG asked these suppliers to conduct coal phase-out feasibility studies and provide Adidas ORG with a clear roadmap for replacing coal. During 2022 DATE , all relevant suppliers have confirmed their commitment to replace or modify their coal-fired boilers by 2025 DATE , and 18 CARDINAL boilers have already been converted to non-coal fuel or decommissioned this year DATE .

Adidas ORG is therefore asking Adidas ORG 's suppliers to obtain their electricity from on-site and off-site renewable energy sources and have incorporated renewable energy and decarbonization performance of Adidas ORG 's suppliers in Adidas ORG 's supplier assessment process. Total rooftop solar capacity across Adidas ORG 's key suppliers has doubled to 186 MWp QUANTITY in 2022 DATE , putting Adidas ORG ahead of Adidas ORG 's internal roadmap. Adidas ORG will continue to increase rooftop solar capacity over the next few years DATE . Preparing suppliers to purchase electricity from off-site renewable energy sources: Adidas ORG is also encouraging Adidas ORG 's suppliers to source renewable energy through off-site options such as PPAs, green tariffs and Energy Attribute Certificates or Renewable Energy Certificates. In 2022 DATE , Adidas ORG 's suppliers in China GPE secured a total of 25,000 MWh QUANTITY of renewable energy through recently launched green power contracts. Adidas engaged with the governments of Vietnam GPE , Indonesia GPE , and Cambodia GPE , as well as their respective electricity utilities, to communicate Adidas ORG 's concerns and recommendations with a view to facilitating PPAs and removing the barriers to rooftop solar. Adidas ORG also actively collaborated with other stakeholders such as EuroCham, AmCham, and fashion industry associations on their policy advocacy work across multiple countries during 2022 DATE . Adidas ORG 's efforts in recent years DATE to improve Adidas ORG 's suppliers ability to measure, monitor, and conserve their energy use have enabled Adidas ORG to transfer full responsibility to Adidas ORG 's suppliers for their own efforts and achievements, while Adidas ORG continues to track and monitor their energy efficiency performance. In 2022 DATE , strategic suppliers enrolled in Adidas ORG 's environmental program successfully achieved an annual DATE

improvement in energy efficiency of almost 4% PERCENT compared to the baseline of 2019 DATE , leading to an accumulated improvement of almost 12% PERCENT over the last three years DATE . In 2022 DATE , this equaled a coverage of 3,730,035 m2 QUANTITY of gross leased area. Adidas ORG 's efforts are underpinned by the clear targets Adidas ORG have set. By 2025 DATE , Adidas ORG aim to achieve climate neutrality across own operations. To achieve this target, Adidas ORG will steadily increase Adidas ORG 's overall environmental performance data coverage and continue to implement eco-efficiency standards through a holistic integrated management system at key sites. All of these efforts will support Adidas on Adidas's ORG way to achieving a 30% PERCENT reduction in emissions across Adidas ORG 's entire value chain by 2030 DATE , measured against the baseline of 2017 DATE . Adidas ORG defined a clear roadmap to achieve Adidas ORG 's emission reduction targets for Adidas ORG 's own operations, including measures such as implementing on-site renewable energy production, improving energy use efficiency, and sourcing renewable energy through green tariffs in Europe LOC . In 2022 DATE , Adidas ORG continued to invest in own operations and offered Green Funds ORG to subsidize local energy efficiency and on-site renewable energy projects. These initiatives included the on-site solar renewable energy projects in Herzogenaurach GPE , Bogota GPE , Caspe ORG , and Stockport GPE . Additionally, in response to the natural gas crisis, Adidas ORG implemented significant energy-saving measures in Europe LOC , e.g. reducing building temperatures to a minimum and planning shutdown sequences for district heat networks. In 2021 DATE Adidas began collecting electricity consumption data for Adidas ORG 's own retail stores. During 2022 DATE , Adidas ORG managed to increase Adidas ORG 's primary

data coverage for own retail by 15 CARDINAL percentage points to 36% PERCENT globally compared to last year DATE . In 2022 DATE , Adidas ORG 's total energy consumption across own operations globally was 510,539 CARDINAL MWh, equivalent to a total of 164,149 CARDINAL tCO2e. While Adidas ORG continue Adidas ORG 's transition toward renewable electricity in Europe LOC through green tariffs, in 2022 DATE Adidas ORG decided to switch Adidas ORG 's focus from short-term initiatives, such as the purchasing of EACs for Europe LOC and North America LOC , to focus on more impactful measures, e.g. securing long-term contracts such as PPAs starting in 2023 DATE . Adidas have also expanded Adidas ORG 's scope of Scope 1 CARDINAL and 2 CARDINAL reporting through the first ORDINAL -time inclusion of company vehicles in 2022 DATE , and as a result see an absolute increase compared to the previous year DATE . Implementing sustainable processes: Adidas's Integrated Management System ORG helps Adidas PRODUCT to reduce potential negative impacts and secure all relevant management certifications for key locations, such as environmental management , health and safety management and energy management. Adidas aim to further expand these certifications to more key sites through implementation of the standards as well as internal and external audits, as these support Adidas ORG 's efforts to achieve Adidas ORG 's energy, water, waste, and health and safety targets. As of 2022 DATE , 64 CARDINAL sites were certified for ISO14001, 112 CARDINAL sites for ISO45001, and 322 CARDINAL sites for ISO50001 GPE . Continuing Green Building certification : Adidas ORG continue to use Green Building FAC certifications in the interior design and construction of own retail stores including certifications. In 2022 DATE , Adidas ORG 's distribution center Suzhou GPE in China GPE , one CARDINAL of the biggest

highly automated distribution centers, was awarded Platinum ORG certification for Building Design and Construction ORG , the highest level of sustainability recognition. The key Green Building FAC features at Suzhou GPE include, but are not limited to, rooftop solar, lighting and control, top -vent air conditioning, ventilation fans, a building management and energy management system, rainwater collection, and a recycling system. Adidas ORG continued to expand Adidas ORG 's water-reduction efforts by including additional, high-consuming Tier 2 CARDINAL suppliers in Adidas ORG 's environmental program. In 2022 DATE , Tier 1 CARDINAL suppliers achieved a 20% PERCENT reduction in water intensity and Tier 2 CARDINAL suppliers a 29% PERCENT intensity reduction , compared to the 2017 DATE baseline. By 2025 DATE , Adidas ORG aim to achieve an overall reduction in water intensity of 40% PERCENT against the 2017 DATE baseline. At own operations globally, Adidas ORG also aim to continue to strengthen water efficiency and wastewater projects in the coming years DATE . By the end of 2022 DATE , Adidas ORG 's water intensity at administrative offices and distribution centers totaled 0.145 m3/m2 QUANTITY . This year DATE , Adidas ORG have again included new administrative offices into Adidas ORG 's reporting and, with that, continued to expand Adidas ORG 's data coverage. In combination with the gradual return of employees to the office after the pandemic, Adidas ORG see an increase of the absolute volume of water consumption compared to 2021 DATE . Overall, Adidas ORG achieved an accumulative reduction of 25% PERCENT compared to the 2019 DATE baseline, and with that exceeded the target Adidas ORG set ourselves for 2025 DATE . For years DATE , Adidas ORG has been implementing a holistic chemical management program in its supply chain, spanning the use of positive input chemistry,

monitoring the chemical output of manufacturing and reporting supplier performance data publicly. As a founding member and participating company, Adidas ORG continue to work closely with the Zero Discharge of Hazardous Chemicals Foundation and to promote the application of their guidelines and Manufacturing Restricted Substances Lists across Adidas ORG 's suppliers. Adidas ORG is proud to have reached Progressive Level 18 PRODUCT in the Brands ORG to Zero CARDINAL program in 2022 DATE , which measures the level of suppliers adoption and implementation of guidelines and tools. Ensuring robust input chemical management: Adidas ORG is continuously working to promote sustainable chemistry in Adidas ORG 's product creation by accelerating the adoption of chemicals that meet the highest level of conformance. In 2022 DATE Adidas ORG partnered with a certification organization, to hold workshops for some 160 CARDINAL suppliers in Adidas ORG 's major sourcing countries. These events increased supplier awareness of conformance and improved their competence in Level 3 CARDINAL certification and registration of chemical products on the Gateway FAC platform. Adidas ORG also launched the Supplier to Zero CARDINAL program in 2022 DATE to assist suppliers in adopting safer chemistries. At the end of 2022 DATE , at least 50% PERCENT of chemicals used at 46% PERCENT of supplier facilities were Level 3 CARDINAL . Adidas ORG has successfully achieved a 99% PERCENT phase-out of polyfluorinated and per-fluorinated chemicals since 2017 DATE Monitoring output chemical management: With regard to eliminating the discharge of hazardous chemicals, Adidas ORG believe it is critical that Adidas ORG 's suppliers adopt the Wastewater Guidelines LAW in order to monitor the quality of directly discharged wastewater. In 2022 DATE , Adidas ORG successfully maintained Adidas ORG 's high standard of compliance, with

89% PERCENT of these suppliers achieving ZDHC Wastewater Foundational Level ORG through the implementation of Adidas's Effluent Treatment Plant ORG evaluation tool. In 2019 DATE , in collaboration with co-processing partners in Adidas ORG 's major sourcing countries, Adidas ORG developed a waste diversion program to use non-recyclable manufacturing waste in energy production. Globally, the suppliers enrolled in Adidas ORG 's environmental program collectively achieved a 96% PERCENT landfill diversion in 2022 DATE , exceeding Adidas ORG 's target of 95 % PERCENT for this year DATE . With the promising result in 2022 DATE , Adidas ORG is currently working on setting a more ambitious target for future waste diversion. At own operations, during 2022 DATE , Adidas ORG also focused on improving the quality of waste-related data from Adidas ORG 's administrative offices and distribution centers by upskilling team members on the data collection process of waste streams. As of 2022 DATE , 89% PERCENT of Adidas ORG 's own operations by square meters are monitoring and tracking waste. By the end of 2022 DATE , a total of 32,246 tons QUANTITY of waste was generated, and Adidas ORG achieved an accumulated diversion rate of 88% PERCENT for administrative offices and distribution centers. While the use of air freight increased in 2022 DATE as part of Adidas ORG 's efforts to counterbalance Covid-related supply chain challenges to 2.0% PERCENT , the vast majority of Adidas ORG 's transportation continued to take place via sea freight and truck, with 81.4% PERCENT via sea freight and 16.6% PERCENT via truck, almost unchanged compared to the previous year DATE . Adidas ORG 's ambition is that 90% PERCENT of Adidas ORG 's articles will be sustainable by 2025 DATE . For apparel, the environmentally preferred material content is required to be at least 70% PERCENT of the article weight, for accessories and gear at least

50% PERCENT , and for footwear at least 20% PERCENT . By the end of 2022 DATE , Adidas ORG managed to have seven CARDINAL out of ten CARDINAL of Adidas ORG 's articles sustainable. The share of total materials used and share of material groups for rubber, and leather are based on the Fall/Winter 2022 EVENT and Spring/Summer EVENT 2022 seasons. The share of material groups for polyester and cotton are based on the Fall/Winter 2022 EVENT and Spring /Summer 2023 seasons DATE . In 2017 DATE , Adidas ORG set ourselves the ambitious target of replacing all virgin polyester with recycled polyester in all products where a solution exists by the end of 2024 DATE . Adidas ORG set clear internal milestones for Adidas ORG 's product creation teams and have seen progress throughout the last several seasons DATE . In 2022 DATE , 96% PERCENT of all the polyester Adidas PRODUCT used was recycled. With that, Adidas ORG is on track to use only recycled polyester by the end of DATE 2023 - one year DATE ahead of schedule. Since 2015 DATE , Adidas ORG has partnered with the environmental organization Parley ORG for the Oceans LOC and uses Parley Ocean Plastic ORG as a replacement for virgin polyester. In 2021 DATE , Adidas ORG continued to roll out Parley Ocean Plastic ORG in key categories, both in Performance and Lifestyle ORG products across footwear, apparel, and accessories and gear. In 2022 DATE , Adidas ORG produced close to 27 million CARDINAL pairs of shoes containing Parley Ocean Plastic ORG . More sustainable cotton : Adidas ORG has steadily increased the sourcing of more sustainable cotton throughout the last several years DATE . Since the end of 2018 DATE , 100% PERCENT of the cotton Adidas PRODUCT use has come from more sustainable sources. Currently, more than 99% PERCENT of Adidas ORG 's leather volume is audited in accordance with the

Leather Working Group ORG protocol, and most of Adidas ORG 's hides are sourced from tanneries with the highest rating. For this reason, Adidas ORG is to broaden the scope of the audit to include traceability to the slaughterhouse by 2030 DATE . Natural materials: In 2022 DATE , Adidas ORG collaborated with innovative material startups such as Infinited Fiber Company ORG , Spinnova ORG , and Pond LOC to develop materials from natural resources that Adidas ORG can use in Adidas ORG 's products. In the fall DATE , Adidas ORG successfully launched a small apparel collection made with at least 60% PERCENT fibers from recycled cotton waste and 40% PERCENT organic cotton in partnership with Infinited Fiber Company ORG and the New Cotton ORG project. This three year DATE project aims to collect, sort and regenerate textile waste into a new man-made cellulosic fiber that looks and feels like cotton, based on Infinited Fiber Company's ORG textile fiber regeneration technology. Also in the fall DATE , Adidas ORG launched Adidas ORG 's made with nature Ultraboost ORG , which features a knitted upper made with Lyocell ORG , a material made from cellulose fibers derived from sustainably grown wood. Adidas acknowledge that fiber fragmentation is a complex challenge for Adidas ORG 's industry, but it is one CARDINAL Adidas ORG is proactively addressing. Adidas ORG is a co-founder of The Microfibre Consortium ORG , which has developed a test method for assessing fiber release and in future aims to advise the textile industry on mitigating the impact of fiber fragmentation. In 2022 DATE , published position papers on microfiber degradability and wastewater management that are fully consistent with Adidas ORG 's internal guidelines and contribute to the industry's knowledge on this topic. In addition to using recycled content or other more sustainable material in Adidas ORG 's products, Adidas ORG is rethinking entire processes to design

products that have a circular end-of-life solution and are made to be remade , meaning they can be completely recycled after use and the material can be reused. Adidas successfully scaled this concept from prototype back in 2019 DATE to a fully commercial footwear offer across multiple categories in 2022 DATE and have meanwhile expanded the concept to apparel. In 2022 DATE , Adidas ORG introduced the Adidas ORG by Stella McCartney PERSON tracksuit made of viscose that can be returned and recycled into new fibers. Besides various product launches Adidas ORG also continued with Adidas ORG 's circular services in 2022 DATE , which have the objective of prolonging the life of the product. In Adidas ORG 's Munich Terrex ORG store, Adidas ORG launched a repair service, and in several flagship stores such as Berlin GPE , London GPE , Dubai GPE , or Shenzen Adidas ORG is offering sneaker cleaning services. In 2022 DATE , Adidas ORG began working on a systematic approach to address biodiversity challenges in Adidas ORG 's value chain. Using scientifically validated frameworks Adidas ORG identified actions to be taken across Adidas ORG 's entire value chain activities related to the five CARDINAL drivers of nature change as identified by the Science Based Targets Network ORG . As a first ORDINAL step, Adidas aim to work with Adidas ORG 's suppliers to develop a deforestation-free roadmap for nature-derived materials. Adidas ORG will further assess Adidas ORG 's strategic facilities for potential impacts on protected areas, key biodiversity areas and the International Union for Conservation of Nature Red List of Threatened Species ORG . Finally, for downstream impacts in Adidas ORG 's value chain, Adidas ORG will evaluate future contributions to biodiversity-enhancing projects. In line with Adidas ORG 's ambition to source Adidas ORG 's nature-derived materials more responsibly, Adidas ORG launched Adidas ORG

's standards for animal-derived materials in 2022 DATE . All down used in Adidas ORG 's products is either virgin down certified by the Textile Exchange's ORG Responsible Down Standard or recycled down. Regarding the sourcing of wool, Adidas ORG is committed to increase the share of wool that is certified by Textile Exchange's ORG Responsible Wool Standard to 100% PERCENT by the end of 2024 DATE . Adidas have also started to explore how Adidas PRODUCT can increase biodiversity in Adidas ORG 's own facilities. For many years DATE already, all the carrier bags handed out in Adidas ORG retail stores have been made with recycled paper. To mitigate this risk, Adidas ORG have company-wide product safety policies in place that ensure Adidas ORG consistently apply physical and chemical product safety and conformity standards. The creation of respective Adidas ORG standards and policies is a collaborative, cross-functional approach involving experts from the Corporate Legal and Global Operations ORG departments to ensure all aspects of a specific product are covered. Application and monitoring are ensured through Adidas's ORG Global Operations ORG function. One CARDINAL of these policies is the Restricted Substances Policy that Adidas ORG pioneered in 1998 DATE . Both Adidas ORG 's own quality laboratories and external institutes are used to constantly monitor material samples for compliance with Adidas ORG 's requirements. As a result of Adidas ORG 's ongoing efforts, Adidas ORG did not record any product recalls in 2022 DATE . Over the last several years DATE , Adidas ORG have substantially contributed to the Restricted Substances List, which constitutes a harmonized restricted substances list across the industry. While the uptake of the list as an industry best practice matured further, and membership continues to grow, various tools have been developed further in 2022 DATE , such as a harmonized Test Request Form, the third

ORDINAL -party Lab Evaluation Questionnaire, or the Supplier Online Training Videos. Adidas also continued Adidas ORG 's participation in several major public stakeholder consultation processes initiated by the European Commission ORG and state legislative initiatives to inform governmental entities on implications and opportunities of drafted legislation.