adidas



ANNUAL REPORT 2025


YOU
GOT
THIS


OUR PURPOSE
THROUGH SPORT, WE HAVE THE POWER TO CHANGE LIVES
OUR MISSION
TO BE THE BEST SPORTS BRAND IN THE WORLD

Targets – Results – Outlook

Targets – Results – Outlook

	2025 Initial Targets[1]	2025 Updated Targets[2]	2025 Results	2026 Outlook
Currency-neutral net sales development	to increase at a high-single-digit rate	to increase by around 9%	10%	to increase at a high-single-digit rate
Operating profit	to increase to a level of between € 1.7 billion and € 1.8 billion	to increase to a level of around € 2.0 billion	€ 2,056 million	to increase to a level of around € 2.3 billion
Average operating working capital in % of net sales	between 21% and 22%	between 21% and 22%	23.0%	between 22% and 23%
Capital expenditure	around € 600 million	around € 600 million	€ 477 million	around € 500 million

1 As published on March 5, 2025.
2 As published on October 21, 2025.

Financial Highlights 2025 (IFRS)

Financial Highlights 2025 (IFRS)

	2025	2024	Change
Operating Highlights (€ in millions)			
Net sales	24,811	23,683	5%
Gross profit	12,804	12,026	6%
Other operating expenses	10,871	10,945	(1%)
EBITDA	3,124	2,465	27%
Operating profit	2,056	1,337	54%
Net income from continuing operations	1,377	824	67%
Net income attributable to shareholders	1,340	764	75%
Key Ratios			
Gross margin	51.6%	50.8%	0.8pp
Other operating expenses in % of net sales	31.4%	34.2%	(2.8pp)
Operating margin	8.3%	5.6%	2.6pp
Effective tax rate	24.3%	26.5%	(2.2pp)
Net income attributable to shareholders in % of net sales	5.4%	3.2%	2.2pp
Average operating working capital in % of net sales	23.0%	19.7%	3.3pp
Equity ratio[1]	28.5%	26.5%	2.0pp
Adjusted net borrowings/EBITDA	1.4	1.5	(0.1)
Financial leverage[1]	75.0%	66.1%	8.8pp
Return on equity[1]	23.2%	14.0%	9.3pp
Balance Sheet and Cash Flow Data (€ in millions)			
Total assets	20,262	20,655	(2%)
Inventories	5,832	4,989	17%
Receivables and other current assets	4,528	4,460	2%
Operating working capital	5,556	4,306	29%
Shareholders' equity	5,776	5,476	5%
Capital expenditure	477	540	(12%)
Cash flows from operating activities[2]	751	2,910	(74%)
Per Share of Common Stock (€)			
Basic earnings	7.46	4.24	76%
Diluted earnings	7.46	4.24	76%
Cash flows from operating activities[2]	4.21	16.30	(74%)
Dividend[3]	2.80	2.00	40%
Share price at end of period	169.05	236.80	(29%)
Other (at end of period)			
Number of employees	64,938	62,035	5%
Number of shares outstanding	178,665,018	178,549,084	0%
Average number of shares	178,559,220	178,549,084	0%

1 Based on shareholders' equity.

2 Prior year adjusted due to Hyperinflation accounting.

3 Value for the reporting year subject to Annual General Meeting approval.

About this Report

With the Annual Report 2025, adidas communicates financial and non-financial information in a combined publication. The report provides a comprehensive overview of the financial, environmental, and social performance of adidas in the 2025 financial year.

We publish our Annual Report exclusively in a digital format. It is available as an Online Report and PDF.
▶ REPORT.ADIDAS-GROUP.COM

The reporting period is the financial year from January 1 to December 31, 2025. To enhance readability, we do not include registered trademarks in this publication, and we refrain from highlighting rounding differences, which may arise in percentages and totals, where these occur. In addition, we endeavor to use gender-neutral language as far as possible, but on occasion we may use male pronouns to refer to both genders. The adidas Annual Report 2025 is available in English and German.

The following symbols indicate important information:

▶ There is more information online or on a different page within the report.

Term underlined: There is a detailed definition of this term in the glossary.

Independent assurance

The Consolidated Financial Statements prepared by adidas AG, including the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows, and the Notes as well as the Group Management Report, have been audited by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ('PwC').
▶ SEE COPY OF THE AUDITOR´S REPORT

In addition, this report contains a Sustainability Statement that has been prepared in accordance with the European Sustainability Reporting Standards ('ESRS'). It also fulfills the requirements for non-financial reporting obligations in accordance with §§ 289b ff. and 315b to 315c of the German Commercial Code (HGB) and thus represents the Combined Non-Financial Statement for the adidas Group and adidas AG. The Sustainability Statement has been audited with limited assurance by PwC.

It was not part of PwC's engagement to review the Online Report or references to external sources such as our corporate website.
▶ SEE SUSTAINABILITY STATEMENT ▶ SEE ASSURANCE REPORT OF THE INDEPENDENT GERMAN PUBLIC AUDITOR ON A LIMITED ASSURANCE ENGAGEMENT IN RELATION TO THE GROUP SUSTAINABILITY STATEMENT ▶ REPORT.ADIDAS-GROUP.COM

Forward-looking statements

Our Group Management Report contains forward-looking statements that reflect Management's current view with respect to the future development of our company. The outlook is based on estimates that we have made on the basis of all the information available to us at the time of completion of this Annual Report. In addition, such forward-looking statements are subject to uncertainties that are beyond the control of the company. In case the underlying assumptions turn out to be incorrect or the described risks or opportunities materialize, actual results and developments may materially deviate (negatively or positively)

from those expressed within such statements. adidas does not assume any obligation to update any forward-looking statements made in the Group Management Report beyond statutory disclosure obligations.

▶ SEE OUTLOOK ▶ SEE RISK AND OPPORTUNITY REPORT

Alternative performance measures

adidas uses 'Alternative Performance Measures' ('APM') in its regulatory and mandatory publications that may represent so-called non-GAAP measures. An overview of these alternative performance measures can be found on our website.

▶ ADIDAS-GROUP.COM/FINANCIAL-PUBLICATIONS

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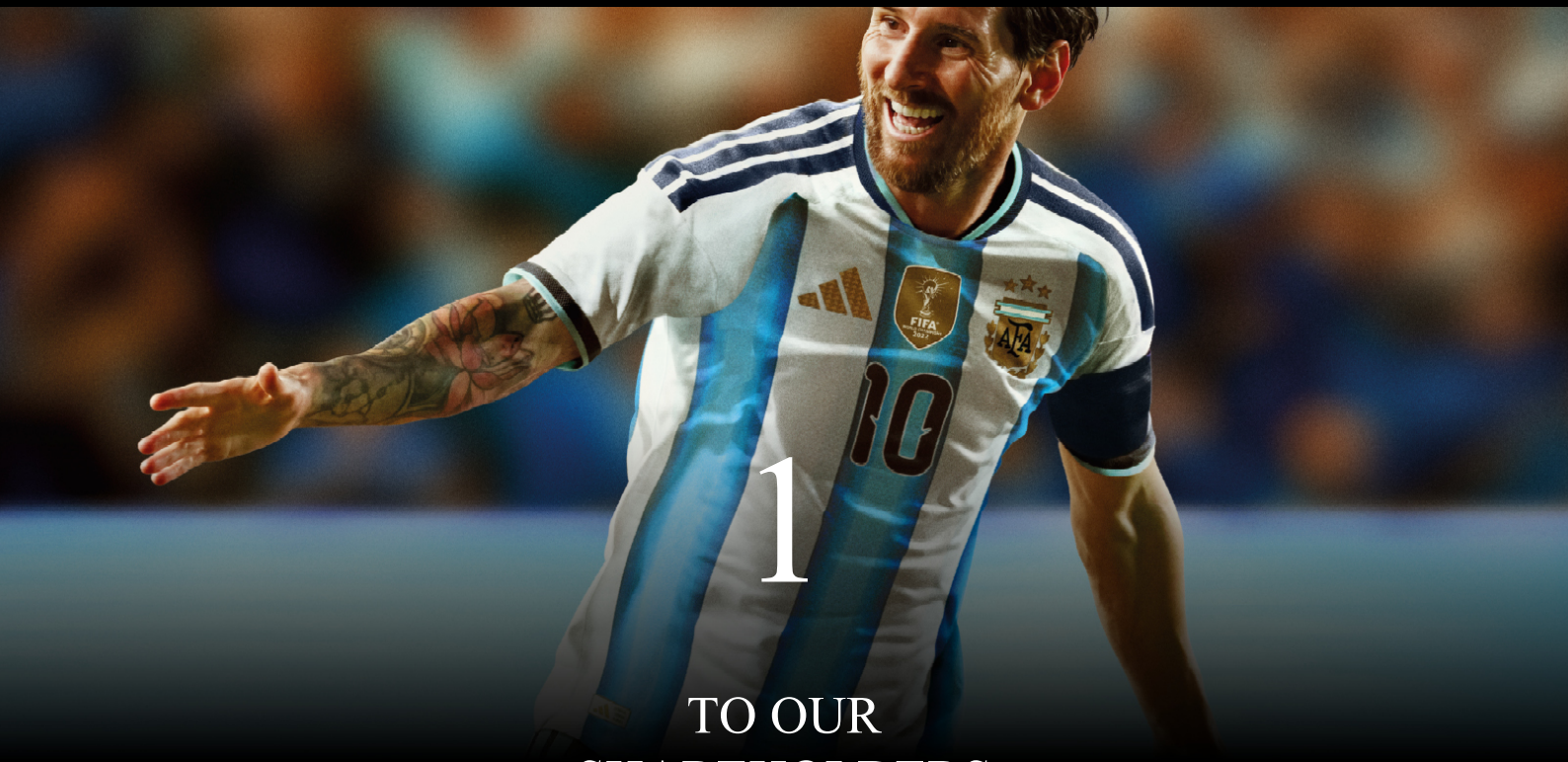
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Interview with our CEO

> THE GLOBAL POTENTIAL FOR ADIDAS IS ALMOST UNLIMITED

Bjørn, 2025 was quite an eventful year, to say the least. Before we move to the business side, what was your most memorable sports moment last year?

Given the huge amount of great sports events on small or larger stages throughout the year, it wouldn't be fair to call out just one. When people come together to do sports, this is always fantastic. I think it's fair to say that, for our brand, there were many events where we showed up both with our athletes and our products that were great. It was definitely a great sports year for our company.

Turning to the business, how would you summarize 2025?

I am very happy and proud of what our people have achieved. I am very happy when you look at our progress over the last three years, it's gone faster than we expected in many areas. In early 2023, we laid out what we thought we had to do over the next four years. 2025 was the third year, and we already achieved many of the goals we set ourselves. We first had growth in the Lifestyle area, especially driven by footwear, through which we created a lot of brand heat globally. We have gotten credibility in Performance again, also in categories where we thought that the road was longer. The development in Running – especially on the high end – has been great. In Football, we've taken back market leadership, and in Basketball, we have innovation and product that I think people didn't believe we can do that quickly. Our visibility in sports – both in big global sports and smaller local sports – has grown enormously. The fact that we have grown double digits for two consecutive years now and achieved double-digit growth all over the world in 2025 shows you the enormous power of this brand.

What's driving this very broad success in your opinion?

First of all, credit to the fantastic brand and company we work for. The global potential for adidas is almost unlimited because we have 76 years of history, and we have so many stories to tell. While the brand has been culturally relevant in all our markets, we are now also back as a sports brand all over the world. The combination of the awareness, the history, the cultural relevance, and the performance credibility is quite

unique. And becoming a global brand with a local mindset has been a huge enabler across all of this. The brand is strong, and we have very good and talented people that are utilizing the strength of the brand in the local markets. It's now up to us how we leverage this in the right way, both in the short term and the long term.

Can you help us understand what 'global brand with a local mindset' means?

In a global world where information flows very quickly, you could believe that the choice of consumers is the same everywhere. But it clearly isn't. We see that different markets have different developments when it comes to taste. The markets are more conscious of their own culture, meaning that the choice of the product, the usage of the product, the meaning of what sport is, are different. I can't force the consumer in China to buy the same product as in Norway. And we all know the difference between Europe and America when it comes to the sports that are relevant. We need to please the consumer where he or she is, all within the frame of the brand. We need to have a global frame that defines what adidas is, and how we should utilize the brand and have a vision for it. But then how we execute that in the different regions has to be different to be successful. We should still be a sports brand at our core, and we should be utilizing the strength of sports into local culture. And then, of course, there are lifestyle, fashion, and comfort elements to take into account.

If we look at the overall product offering last year across global and local, what are the products that you want to call out?

With the Samba, the Gazelle, and the Spezial, we really brought the brand back to the young female consumer. This isn't something that happens quickly, it's built over time, and it's very, very strong still. Then, I would call out how we extended the popularity of the Three Stripes from footwear to apparel. When you look at the sequence of that, it actually happened exactly that way. Running is another call-out, because it was the most difficult category for us to establish ourselves in at the top. Our teams have done a tremendous job, creating what – in my opinion – are the best running shoes. Once you have credibility at the top, winning marathons and setting records, it's easier to be commercially successful in everyday running and comfort running products. And that is, of course, the plan. I could also call out the Predator in Football, the Adizero Dropset in Training, or so many other examples of great products in our Performance categories. I can't point to one product or one segment. I am extremely proud to see what the teams have done. How creative and innovative we have been across the teams and categories. How the consumers have reacted to it the last three years showcases how good this brand is and the people behind it.

> I AM VERY HAPPY AND PROUD OF WHAT OUR PEOPLE HAVE ACHIEVED



One of the things that you haven't mentioned is the pet collection that has caught quite some attention globally after being launched in China. Are you trying to expand into new territories here?

I had nothing to do with that because that idea, of course, came from our China team. They used the popularity of adidas to extend the range. I would say it's a local marketing tool that has suddenly become a business. Again, it shows the creativity of the team. It shows that our teams on the ground know their consumers and what matters to them most. And it shows the impact of good ideas.

You mentioned in the past that it will take time for the improved and expanded product range to become fully visible in the trade. Where are you with that?

It's different from market to market. It's obvious with the success of lifestyle footwear that many retailers wanted it very quickly and adopted it. But there are categories where we still don't have the space we believe we should. We do think we are competitive, and there are many markets where we should be able to increase our space in the store and on the shelf. But as always, the retailers decide on who they allocate space to. If they do that rationally, they will allocate space to those who give them the highest contribution per square meter, and we think we can do that. We made huge progress in the last three years, but if you look at running for example, there are places around the world where we still have very little distribution, which again shows the huge opportunity we have in our hands.

How did listening to the retail partners and working closer with them change the assortment and how the brand shows up in the stores?

For me, listening to our retail partners is crucial. If you sit in headquarters and decide what should be in all the stores around the world, it's simply not going to work. We have an open dialogue with consumers, with athletes, and with our retailers across the different markets. Our market teams have been very active in engaging with our retailers, and we have opened all our creation centers to work with them. We've seen improvements in that process, but it can always be better. We are getting very positive feedback from the retailers on the way we work, and how the flexibility and the speed of our creation teams have improved. We are on a very, very good way of giving this fantastic adidas brand the right platform to be market leader in many markets.

What has also grown is the roster of partners around the world, from global partners like Liverpool FC to more local ones like Penn State or Gilas Pilipinas, the national basketball team of the Philippines. What role do these partners play for adidas?

If you don't showcase the brand with relevant partners, it will disappear over time. Our philosophy is that adidas should be visible and relevant. There are certain sports and partners that are very global, like football and Liverpool, and there are partners that are very local. Authentic partnerships that give us organic visibility are more important than paid media campaigns. That's why we are investing a lot in partnerships, both globally and locally – not only in sports, but in whatever is culturally relevant for the consumer in the different markets. It can be in fashion, it can be in music, and it can be in other areas that the consumer thinks is relevant.

2025 saw the return of adidas into motorsports. How did that go and what's going to happen next?

F1 is growing globally when it gets to viewership. And the viewership is getting younger and younger and they're both female and male. We made the decision to team up with the Mercedes AMG Petronas F1 team very quickly, and our team did an unbelievable job launching it. I think we went from handshake to having products in the markets in under ten months. We now have one year behind us commercially, and it's been more successful than anybody expected. We have also added Audi Revolut and have just launched their first collection, so that means we will have two teams for the upcoming season, and the reaction has been great. With fans buying both merchandise and lifestyle products inspired by F1, there are big opportunities to expand our business in the future.

You made some organizational changes in 2025 in order to move closer to markets and consumers. Why were those changes required?

Given the uncertainty when it comes to the geopolitical situation and the unstable environment we operate in, getting closer to the consumer and making sure that we work with the markets has become even more important. So, we have strengthened our creative resources in the different regions and given the markets more freedom in developing products, signing partners, and doing activations. I think the biggest success story that we can show here is China. Firstly, our Chinese teams have a lot of creative people. Secondly, they have factories next door, so they can design, develop, and source product on a shorter lead time. Also, given the mono-branded retail environment, where we have around 8,000 adidas branded stores – even if they are operated by wholesale partners – that gives us a different value chain to work with. Empowering our markets to use their local setup to win the local consumer is a key reason for our current success. And our global teams, of course, support it. But this means we also had to change our structures and processes to reflect the reality of how we work, leading to changes and role reductions at our headquarters in Herzogenaurach. It is very important for me to ensure that all changes are carried out with the utmost respect and care for all employees. But there's no choice. In order to be successful long-term, we need to be agile and on our toes to be able to react as quickly as possible to changes. And this means we have to put decision-making as close as we can to where these decisions need to be made.

You've been in this industry for many years. How has the competitive landscape changed and how attractive is the sporting goods industry today?

It depends on what time period you look at. If you go back to the beginning of my time in the industry, European brands were dominating. Then we had the American brands coming up, that was the first big change. Now we are seeing specialist brands coming up, focusing on just one or two categories, and local players trying to go global. So the amount of competitors has increased. But the awareness and the positiveness towards adidas has also increased. We are in a very, very attractive industry, because sports in all its dimensions will continue to grow. I also think on the lifestyle side that casualization will never stop, and I strongly believe that more and more people will be wearing sports shoes across all age groups because they're the most comfortable choice. All of this is of course very good for us, because we are in many markets, we are in multiple categories, we have 76 years of history we can build on, and we have all the resources to continue our success. So, I see a very positive industry development for us for the future. Moving closer to the consumer locally is key to enabling our ability to successfully compete with all other brands.

> WHEN PEOPLE COME TOGETHER TO DO SPORTS, THIS IS ALWAYS FANTASTIC

adidas' market share is significantly higher than it was three years ago. How much more potential is there to increase the market share?

The potential is different from market to market, depending on what the starting point is. But if you look at our biggest competitor and its size compared to ours, then that should be answer enough. I can't see any market where we cannot gain substantial share over time. Given our relatively low market share in the US, we have the ambition to double our business there. I just think we need to be more American and that's what we're trying to do. The American team needs to invest in what is relevant for America. Outside of the US we have the ambition of being market leader in all markets. That doesn't mean that we will be it, but we should have the ambition. And we need to understand what we need to do in every market to achieve this ambition.

The US is a good segue to the next question. The FIFA World Cup 2026 will be a huge event and a great platform. What are your expectations for the brand and the business?

The World Cup is always a great event. It is the biggest sports event when it comes to viewership all over the world. Football is the DNA of our brand, and being market leader, it is of huge importance to adidas. And it's a great platform to take football as a sport and highlight the cultural relevance of it. That's why the collection this year is so much wider than it's been before. We clearly see that there is a football interest in fashion and lifestyle that we have never seen before. We will focus on connecting to the US consumer, the Mexican consumer, and the Canadian consumer. So far, the reaction to what we have showcased, and our first product launches has been great. Aside from business, I really believe that the World Cup can be a game changer when it comes to where the world is going, given the positive feelings that these events bring. I strongly believe that sports is one of the few things that brings us all together. Let's hope that the World Cup will strengthen some of the conversations that are going on to create peace again.

Other than the World Cup, what does success for adidas look like this year? What are your priorities for 2026?

2026 is a year where we will continue the momentum that we have. There is no doubt that the potential of this brand in this attractive market is to continue to grow a couple of billions every year. To do that on a consistent basis, we need to keep developing our people and keep working on the way we execute. Not only in front of the consumer, where we are very successful already. But also in the way we work. Just like athletes, we will continue to work hard on us, we will continue to adapt our processes to the changing environment so that we become an even better company and keep building an even stronger platform for the future.

Talking about the future, what are your plans and goals for adidas in the coming years?

I believe the next couple of years should show that adidas can take market leadership in a lot more markets. I think that we will continue to outgrow the industry and take more market share, utilizing the strength of our brand, our resources, our authenticity, our innovation, and our creativity. And to do that, we need to be dedicated to our consumers and attract, develop, and keep the best people. Because I think in this world where we talk a lot about AI and the tools that can make us better, we are still a people business. We should never forget that the athlete is a person, the consumer is a person, and the employee is a person. adidas is a great company to work with and to work for, and we are obsessed about fulfilling the needs of consumers and athletes.

Last question: What are your personal goals for 2026 and beyond?

I enjoy what I do, also doing a lot of sports. I have a lot of energy for this great job, a lot of passion for this fantastic brand, and I feel extremely privileged in what I do. So, my goal really is just to continue the great journey we are on, give this brand what it deserves, and get this company to where it belongs.

Executive Board[1]

Our Executive Board is composed of four members. Each Board Member is responsible for at least one major function within the company.

More information on the adidas Executive Board

▶ ADIDAS-GROUP.COM/EXECUTIVE-BOARD



Bjørn Gulden

Chief Executive Officer

Bjørn was born in Zurich, Switzerland, in 1965 and is a Norwegian national. He obtained a Bachelor of Business Administration from the University of Rogaland, Norway, as well as an MBA from the Babson Graduate School of Business, USA. Between 1992 and 1999, he held various management positions at adidas in Herzogenaurach, ultimately serving as Senior Vice President of Apparel and Accessories. In 1999, Bjørn became Head of Product, Marketing and Sourcing at Helly Hansen in Norway, and remained on the company's advisory board for several years after his departure. From 2000, he was Managing Director of the Deichmann Group and President/CEO of Deichmann's US-American subsidiary Rack Room Shoes. From 2012 to 2013, Bjørn was Chief Executive Officer of the Danish jewelry brand Pandora, and he went on to serve as a Supervisory Board Member from 2013 to 2018. In 2013, he joined Puma SE in Herzogenaurach as CEO. From 2014 to 2022, he was also a member of the Supervisory Board of Borussia Dortmund GmbH & Co. KGaA. Since January 1, 2023, Bjørn has been a member of the Executive Board and CEO of adidas AG, Herzogenaurach, Germany. He is also responsible for the business area Global Brands as well as Global Sourcing.

Mandates:

— Chairman of the Board of Directors, Salling Group A/S, Brabrand, Denmark
— Member of the Supervisory Board, maxingvest GmbH & Co. KGaA, Hamburg, Germany[2]
— Member of the Supervisory Board, Tchibo GmbH, Hamburg, Germany[3]

[1] Disclosure pursuant to ESRS 2, paragraphs 20a, 20c, 21a, and 21c.
[2] Since July 1, 2025.
[3] Until March 18, 2025.



Mathieu Sidokpohou

Chief Commercial Officer

Mathieu was born in Chaumont, France, in 1975, and is a French national. He holds a Master's degree in Management from ESSEC Business School, France. Mathieu started his professional career at Procter & Gamble in 1999. He held various roles in product and brand marketing in France and in Switzerland, with European and global marketing responsibilities, as well as in Singapore as Marketing and Business leader for APAC. In 2015, Mathieu joined LVMH as Managing Director Sephora SEAPAC. From 2018 to 2020, he held the position of Global Vice President Dairy & Plant-Based at Danone in France. In mid-2020, Mathieu started his career at adidas as General Manager adidas France before assuming responsibility for the Cluster South Europe as General Manager as of 2021. In May 2023, he became Managing Director of Europe, adidas' largest market. In November 2024, Mathieu was appointed to the Executive Board, and he is responsible for Global Sales.



Harm Ohlmeyer

Chief Financial Officer

Harm was born in Hoya, Germany, in 1968 and is a German national. He holds a degree in Business Studies from the University of Regensburg, Germany, as well as an MBA from Murray State University, USA. Harm started his career with adidas in 1998 and gained extensive experience in the areas of Finance and Sales, including responsibility as CFO TaylorMade-adidas Golf in Carlsbad, USA, and Senior Vice President Finance adidas Brand and Global Sales (adidas and Reebok). From 2011, he led the company's e-commerce business as Senior Vice President Digital Brand Commerce. In 2017, Harm was appointed to the Executive Board and subsequently became Chief Financial Officer. In July 2023, he was appointed as Labor Director, and he assumed additional responsibility for Supply Chain and Tech in August 2024.

Mandates:

— Member of the Supervisory Board, SV Werder Bremen GmbH & Co KG aA, Bremen, Germany



Michelle Robertson

Global Human Resources, People and Culture

Michelle was born in Aberystwyth, Wales, in 1975, and is a British national. She holds a Postgraduate Diploma in Human Resources (CIPD qualified) from the University of Central Lancashire, UK. Michelle started her professional career in the UK hospitality industry, where she worked in different HR positions from 1995 onward. In 2004, she joined Reebok as Head of HR Reebok UK & Ireland, in Bolton, UK, later became Head of HR EMEA in Amsterdam, the Netherlands, and, in 2010, went on to be Director HR Global Brand Marketing at the Reebok HQ in Boston, USA. In 2012, Michelle transitioned to adidas in Herzogenaurach where she held various senior management roles within HR with responsibility for Global IT, Global Operations, Global Legal, and Global Workplaces. In 2018, she became Senior Vice President Workplaces & HR Global Functions. In 2020, Michelle additionally took over the global Covid-19 crisis management lead, and between 2022 and 2023, she also acted as HR Business Partner for Global Brands. From mid-2023, she led the company's global Human Resources organization as Head of Global HR. In 2024, Michelle was appointed to the Executive Board and is responsible for Global Human Resources, People and Culture.

Supervisory Board[4]

Thomas Rabe
CHAIRMAN
residing in Berlin, Germany
born on August 6, 1965
Member of the Supervisory Board since May 9, 2019
Chairman and Chief Executive Officer, Bertelsmann Management SE, Gütersloh, Germany
Chief Executive Officer, RTL Group S.A., Luxembourg, Luxembourg

Paul Francis Seline*
DEPUTY CHAIRMAN
residing in Erlangen, Germany
born on January 13, 1965
Member of the Supervisory Board since May 16, 2024
Chairman of the Works Council Herzogenaurach, adidas AG, Herzogenaurach, Germany

Nassef Sawiris
DEPUTY CHAIRMAN[5]
residing in Milan, Italy
born on January 19, 1961
Member of the Supervisory Board since June 15, 2016
Executive Chairman and Member of the Board of Directors, OCI N.V., Amsterdam, the Netherlands
Membership in comparable domestic and foreign controlling bodies of commercial enterprises:
— Vice Chairman, Fertiglobe Plc, Abu Dhabi, UAE
— Member of the Board of Directors, XRG P.J.S.C., Abu Dhabi, UAE[6]

Birgit Biermann*
residing in Bochum, Germany
born on December 26, 1973
Member of the Supervisory Board since September 1, 2022
Member of the Steering Committee, IGBCE, Hannover, Germany
Membership in other statutory supervisory boards in Germany:
— Member of the Supervisory Board, Merck KGaA, Darmstadt, Germany
— Member of the Supervisory Board, Lanxess AG, Cologne, Germany[7]

Linda Evenhuis*
residing in Herzogenaurach, Germany
born on December 3, 1973
Member of the Supervisory Board since May 16, 2024
Senior Lead Program and Facilitation (EMEA – GCA – APAC) Global HR Talent, adidas AG, Herzogenaurach, Germany

[4] Disclosure pursuant to ESRS 2, paragraphs 20a, and 21b.
[5] Since May 15, 2025.
[6] Since January 1, 2025.
[7] Since May 22, 2025.
* Employee representative.

Ian Gallienne

residing in Paris, France
born on January 23, 1971
Member of the Supervisory Board since June 15, 2016
Chairman of the Board of Directors[8], Groupe Bruxelles Lambert, Brussels, Belgium
Membership in comparable domestic and foreign controlling bodies of commercial enterprises:
— Member of the Board of Directors, Pernod Ricard SA, Paris, France
— Member of the Board of Directors, SGS SA, Geneva, Switzerland
Mandates within the Groupe Bruxelles Lambert or in entities under common control with the Groupe Bruxelles Lambert:
- Member of the Board of Directors, Imerys SA, Paris, France
- Member of the Board of Directors, Compagnie Nationale à Portefeuille SA, Loverval, Belgium
- Member of the Board of Directors, Château Cheval Blanc, Société Civile, Saint-Émilion, France
- Member of the Board of Directors, Financière De La Sambre, Loverval, Belgium
- Member of the Board of Directors, Carpar SA, Loverval, Belgium
- Chairman of the Board of Directors, FG Bros SA, Brussels, Belgium[9]

Jackie Joyner-Kersee

residing in Ballwin, Missouri, USA
born on March 3, 1962
Member of the Supervisory Board since May 12, 2021
CEO, Jackie Joyner-Kersee Foundation, and Motivational Speaker, East St. Louis, Illinois, USA

Christian Klein

residing in Mühlhausen, Germany
born on May 4, 1980
Member of the Supervisory Board since August 11, 2020
Chief Executive Officer, SAP SE, Walldorf, Germany

Bastian Knobloch*

residing in Bramsche, Germany
born on September 12, 1982
Member of the Supervisory Board since January 1, 2022
Chairman of the Works Council Campus North, adidas AG, Rieste, Germany

Oliver Mintzlaff

residing in Königswinter, Germany
born on August 19, 1975
Member of the Supervisory Board since May 16, 2024
CEO Corporate Projects & Investments, Red Bull GmbH, Fuschl am See, Austria

Petar Mitrovic*

residing in Fürth, Germany
born on May 2, 1975
Member of the Supervisory Board since May 16, 2024
Senior Manager Program Facilitation, Global HR Talent, adidas AG, Herzogenaurach, Germany

[8] Since May 2, 2025; formerly Chief Executive Officer, Groupe Bruxelles Lambert, Brussels, Belgium.
[9] Since May 3, 2025.
* Employee representative.

Thomas Sapper*
residing in Nuremberg, Germany
born on December 20, 1966
Member of the Supervisory Board since May 16, 2024
Senior Director Tech Project Management, Technology Enablement Office, adidas AG, Herzogenaurach, Germany

Harald Sikorski*
residing in Munich, Germany
born on May 28, 1966
Member of the Supervisory Board since May 16, 2024
District Manager Bavaria, Industrial Union IG Bergbau, Chemie, Energie (IGBCE), Munich, Germany
Membership in other statutory supervisory boards in Germany:
— Member of the Supervisory Board, Wacker Chemie AG, Munich, Germany
Membership in comparable domestic and foreign controlling bodies of commercial enterprises:
— Member of the Supervisory Board, Company for the Safeguarding of Miners' Housing mbH, Essen, Germany

Bodo Uebber
residing in Munich, Germany
born on August 18, 1959
Member of the Supervisory Board since May 9, 2019
Independent Management Consultant
Memberships in other statutory supervisory boards in Germany:
— Member of the Supervisory Board, Bertelsmann SE & Co. KGaA/Bertelsmann Management SE, Gütersloh, Germany
— Chairman of the Supervisory Board, Flix SE, Munich, Germany

Jing Ulrich
residing in Stamford, Connecticut, USA
born on June 28, 1967
Member of the Supervisory Board since May 9, 2019
Managing Director and Vice Chairman, Investment Banking, JPMorgan Chase & Co., New York, USA
Membership in comparable domestic and foreign controlling bodies of commercial enterprises:
— Member of the Board of Directors, Swarovski International Holding AG, Männedorf, Switzerland[10]

Günter Weigl*
residing in Oberreichenbach, Germany
born on April 14, 1965
Member of the Supervisory Board since May 9, 2019
Senior Vice President Brand Partnerships, adidas AG, Herzogenaurach, Germany

[10] Since December 10, 2025.
* Employee representative.

Standing Committees as of May 15, 2025

Steering Committee:
Thomas Rabe (Chairman), Nassef Sawiris, Paul Francis Seline*
General Committee:
Thomas Rabe (Chairman), Birgit Biermann*, Linda Evenhuis*, Ian Gallienne, Nassef Sawiris, Paul Francis Seline*
Audit Committee:
Bodo Uebber (Chairman), Christian Klein, Oliver Mintzlaff, Thomas Sapper*, Günter Weigl*
Nomination Committee:
Thomas Rabe (Chairman), Nassef Sawiris, Oliver Mintzlaff
Mediation Committee pursuant to § 27 section 3 Co-Determination Act (MitbestG):
Thomas Rabe (Chairman), Nassef Sawiris, Bastian Knobloch*, Paul Francis Seline*

Standing Committees until May 15, 2025

Steering Committee:
Thomas Rabe (Chairman), Ian Gallienne, Paul Francis Seline*
General Committee:
Thomas Rabe (Chairman), Birgit Biermann*, Linda Evenhuis*, Ian Gallienne, Nassef Sawiris, Paul Francis Seline*
Audit Committee:
Bodo Uebber (Chairman), Christian Klein, Thomas Sapper*, Günter Weigl*
Nomination Committee:
Thomas Rabe (Chairman), Ian Gallienne, Oliver Mintzlaff
Mediation Committee pursuant to § 27 section 3 Co-Determination Act (MitbestG):
Thomas Rabe (Chairman), Ian Gallienne, Bastian Knobloch*, Paul Francis Seline*

Biographical information on our Supervisory Board members is available online.
▶ ADIDAS-GROUP.COM/SUPERVISORY-BOARD

* Employee representative.

Supervisory Board Report

Dear Shareholders,

2025 was another successful year for adidas. The company continued to build on its positive momentum, with growth broadening meaningfully across all dimensions of the business. Profitability also improved further, supported by a sharp focus on healthy growth and consumer needs. Despite persistent and elevated external uncertainty, which impacted investors and corporates alike, we were able to upgrade our full-year guidance in the course of the year and once more deliver better-than-expected results. The key to success in this volatile environment is the empowerment of our teams in the markets, which enables them to create locally relevant products and activations and be agile and fast-to-market. Across the globe, we deepened relationships with both retail and brand partners, supported by improved collaboration and a simplified, more effective operating model. Together, these achievements have laid a strong foundation for sustainable profitable growth within a structurally attractive industry in the years ahead.

Supervision and advice in dialogue with the Executive Board

In the year under review, we performed all of our tasks laid down by law, the Articles of Association, the German Corporate Governance Code (‘Code’), and the Rules of Procedure carefully and conscientiously, as in previous years. We regularly advised the Executive Board on the management of the company and diligently and continuously supervised its management activities. The Executive Board involved us directly and in a timely and comprehensive manner in all of the company’s fundamental decisions.

The Executive Board informed us extensively and regularly through written and oral reports. This information covered all relevant aspects of the company’s strategic direction, business planning (including finance, investment, and personnel planning), the business development, and the company’s financial position and profitability. We were also kept up to date on matters relating to accounting processes, the risk situation, the adequacy and further development of the Internal Control and Risk Management Systems, and compliance as well as all major decisions and business transactions. Furthermore, the Executive Board always reported immediately and thoroughly on any deviations in business performance from the plans. In the year under review, such deviations were attributable, in particular, to the better-than-expected business development, the uncertainties and additional costs due to the US tariffs, and unfavorable currency effects. Furthermore, to prepare for our meetings, we received regular comprehensive written reports from the Executive Board. Thus, we always had the opportunity to critically analyze the Executive Board’s reports and resolution proposals within the committees and with the entire Supervisory Board and to put forward suggestions before passing resolutions based on in-depth examination and thorough consultation. At the Supervisory Board meetings, the Executive Board was available for discussions and to answer our questions. In the periods between our meetings, the Executive Board also provided us with extensive monthly reports on the current business situation. We critically examined and scrutinized the information provided by the Executive Board.

Meetings of the Supervisory Board and its committees

In the past financial year, the Supervisory Board primarily exercised its duties in plenary meetings. Members who were unable to participate in the meetings took part in the resolutions by submitting their votes in writing. In the year under review, the meetings of the Supervisory Board and its committees took place both as physical and virtual meetings. The latest videoconferencing technology was used to ensure an open and appropriate discussion between the Executive Board and the Supervisory Board within the virtual meetings.

Type of meeting

	Virtual meeting	Physical meeting
Supervisory Board	3	5
Nomination Committee	2	1
General Committee	2	1
Audit Committee	1	3

The external auditor, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ('PwC'), Frankfurt am Main, Germany, attended the meetings of the Supervisory Board as part of the Executive Board's financial reporting to the Supervisory Board, insofar as no Executive Board matters and internal matters of the Supervisory Board and Executive Board were discussed. Furthermore, PwC attended all meetings of the Audit Committee.

In the periods between meetings, the Chairman of the Supervisory Board and the Chairman of the Audit Committee maintained regular contact with the Chief Executive Officer and the Chief Financial Officer, conferring on matters such as the company's strategic orientation, business planning and development, the risk situation, and control and risk management as well as compliance. In addition, if required, including at short notice, the Chairman of the Supervisory Board and, when necessary, the entire Supervisory Board, were informed about events of fundamental importance to the evaluation of the situation, development, and management of the company. During the Supervisory Board and committee meetings, the Chairman of the Supervisory Board and the Chairman of the Audit Committee regularly reported on discussions with the Executive Board outside the meetings.

The Supervisory Board also convened regularly without the Executive Board members, in particular to discuss internal affairs of the Supervisory Board as well as personnel and compensation matters relating to the Executive Board. The Audit Committee also followed recommendation D.10 of the Code and regularly consulted with the auditor in the Audit Committee meetings without the Executive Board.

In this year under review, too, the participation rate of the Supervisory Board and its committees was constantly high, totaling approximately 97% (2024: approximately 96%) with regard to the Supervisory Board meetings and thus exceeding the targeted minimum participation rate of 75%.

Individual meeting participation of the Supervisory Board members

	Number of meetings	Participation	Participation rate
Members of the Supervisory Board as at December 31, 2025			
Thomas Rabe, Chairman	14	14	100%
Nassef Sawiris, Deputy Chairman	13	13	100%
Paul Francis Seline, Deputy Chairman	11	11	100%
Birgit Biermann	11	10	91%
Linda Evenhuis	11	11	100%
Ian Gallienne	12	11	92%
Jackie Joyner-Kersee	8	8	100%
Christian Klein	12	9	75%
Bastian Knobloch	8	8	100%
Oliver Mintzlaff	14	14	100%
Petar Mitrovic	8	8	100%
Thomas Sapper	12	12	100%
Harald Sikorski	8	8	100%
Bodo Uebber	12	12	100%
Jing Ulrich	8	8	100%
Günter Weigl	12	12	100%

Tasks and topics for the entire Supervisory Board

In the year under review, there were eight meetings of the entire Supervisory Board (2024: eight meetings). Moreover, three resolutions were passed by way of a circular resolution.

The following subject matters were regularly discussed within the entire Supervisory Board after thorough presentations by the Executive Board: the development of sales, earnings, and the employment situation, the financial position of the company, and the business development of the company's individual operations and markets. As the focus was on sustainable net sales growth and increasing operating profit, key topics in the year under review were the business development in the major markets and sales channels, the order book development and the sell-through of our products, the uncertainties and additional costs connected with the US tariffs, and currency effects as well as macroeconomic and geopolitical risks. In addition, we dealt intensively with the major legal disputes and official proceedings, brand and product topics, current marketing campaigns, and adidas' key partnerships. ESG topics and related regulation were further regular topics of discussion at the Supervisory Board meetings. The work and development of the adidas Foundation, data privacy, and the preparation of the Supervisory Board elections were also discussed. Moreover, the Executive Board informed us about the status of and developments within the Human Resources organization, in particular with regard to the new approach to performance management. Furthermore, the strategic orientation of adidas as a global brand with a local mindset, and the related transfer of increased responsibilities to the markets and reduction of complexity as well as collective bargaining topics in Germany, including the collaboration with the Mining, Chemical and Energy Industries Union (Industriegewerkschaft Bergbau, Chemie, Energie – IGBCE) were discussed. As regards personnel matters within the Executive Board, general succession planning and reviewing the compensation system for the Executive Board were the major topics.

Due to statutory regulations and the Rules of Procedure, certain transactions and measures of the Executive Board require the Supervisory Board's approval. The Supervisory Board discussed transactions requiring its approval as they arose, approving resolution items after thorough review, in some cases based

on preparations by the relevant committees. In addition, the Supervisory Board regularly discussed Executive Board personnel and compensation matters as well as questions of corporate governance.
▶ ADIDAS-GROUP.COM/COMPENSATION ▶ SEE DECLARATION ON CORPORATE GOVERNANCE

In the February meeting, we focused on the preliminary results for the 2024 financial year and the company's business situation. In addition, the Executive Board presented the Budget Plan for the 2025 financial year. Following a thorough discussion, the Supervisory Board approved the Budget Plan as presented. Moreover, we discussed adidas' strategic orientation ('global brand with a local mindset' and reduction of internal complexity), its implementation in the various markets, and the reduction of roles and positions at headquarters in Herzogenaurach. With regard to the searches at adidas locations in connection with customs- and tax-related provisions for importing products into Germany, the Executive Board outlined the current status. Furthermore, we discussed the dividend proposal with the Executive Board. Another focus topic was Executive Board compensation. After determining the degree of target achievement and thoroughly reviewing the individual performance of the Executive Board members, we determined the variable compensation to be paid to the Executive Board members for the 2024 financial year. Moreover, following an internal appropriateness assessment, the Executive Board compensation was assessed to be appropriate, and the Declaration on Corporate Governance was approved.

In the balance sheet meeting in March, the Executive Board reported on the financial results for the past financial year as well as on the audit of the 2024 annual financial statements and consolidated financial statements. Before the Supervisory Board passed its resolution, the auditor reported on the material results of the audit, including the results of the audit of the content of the non-financial statement commissioned by the Supervisory Board in accordance with § 111 section 2 sentence 4 of the German Stock Corporation Act (Aktiengesetz – AktG). In connection with the non-financial statement, the auditor reported, in particular, on the implementation of the Corporate Sustainability Reporting Directive ('CSRD') and the European Sustainability Reporting Standards ('ESRS'), which were applied for the first time in the 2024 financial year on a voluntary basis. After in-depth examination of the financial statements and based on the auditor's report and the Audit Committee report on the audit results, the Supervisory Board approved the annual financial statements and consolidated financial statements as well as the combined Management Report including the non-financial statement for adidas AG and the adidas Group. The annual financial statements were thus adopted. The Executive Board also outlined the Company's current business situation and the guidance for 2025. We also deliberated on adidas brand and product topics, current marketing campaigns, key partnerships, compliance, and the major legal disputes of adidas as well as ESG and sustainability topics. Moreover, we approved the Supervisory Board Report to the Annual General Meeting as well as the proposed resolutions to be submitted to the 2025 Annual General Meeting, including the proposal on the appropriation of retained earnings for the 2024 financial year. We also conferred on the Supervisory Board elections in 2025. After thorough deliberations, the Supervisory Board approved the candidate proposals for the Supervisory Board elections to be presented to the 2025 Annual General Meeting prepared by the Nomination Committee. Another focus topic was Executive Board compensation. The criteria and targets for the variable performance-related compensation of the Executive Board members for the 2025 financial year prepared by the General Committee were thoroughly discussed and then determined by the Supervisory Board. Moreover, the Compensation Report for the 2024 financial year was approved. Finally, we resolved amendments to the Business Allocation Plan for the Executive Board as well as the Rules of Procedure of the Supervisory Board and the Audit Committee regarding the increase in the number of Audit Committee members to five people. In this regard, Oliver Mintzlaff was elected as a further member of the Audit Committee.

Moreover, by way of a circular resolution in March, the Supervisory Board approved Bjørn Gulden's supervisory board mandate at maxingvest GmbH & Co. KGaA, Hamburg, Germany. In this regard, he relinquished his supervisory board mandate at Tchibo GmbH.

The May meeting, which took place on the evening before the Annual General Meeting, centered around the business performance at the time as well as adidas brand and product topics, the latest marketing campaigns, and key partnerships. In this regard, the strategic orientation in particular ('global brand with a local mindset') and its implementation in the various markets through local activities and products were presented. Moreover, we thoroughly discussed the financial results for the first quarter of 2025. One focus topic was the impact of the US tariffs, the related macroeconomic risks and uncertainties, and the measures taken by adidas. We were also given a presentation on the adidas Foundation and discussed the Foundation's organizational structure, the major milestones, the projects to be supported, and the long-term goals and ambitions. Furthermore, we were informed about the expected main topics and questions at the Annual General Meeting. Finally, we approved the amendments to the Business Allocation Plan for the Executive Board. After the Supervisory Board meeting, the Supervisory Board and the Executive Board visited the product exhibitions for the FIFA World Cup 2026 and Spring/Summer 2026.

During the constituent meeting of the Supervisory Board directly after the Annual General Meeting, the Supervisory Board elected Thomas Rabe as Chairman of the Supervisory Board, Paul Francis Seline as First Deputy Chairman, and Nassef Sawiris as Additional Deputy Chairman. Due to the change in Additional Deputy Chairman, the committee members were also newly elected.

In June, an update of the Declaration of Compliance 2024 was approved in accordance with § 161 AktG by way of a circular resolution.

In our meeting in late July, we discussed, in particular, the financial results for the second quarter and the first half of 2025 and the outlook for the 2025 financial year. In this regard, we deliberated with the Executive Board on the status of the expected impact of the US tariffs. Moreover, we discussed the competitive situation and were given an overview of brand and product topics, the latest marketing campaigns, and key partnerships. In view of marketing and 'brand heat,' the Executive Board reported, in particular, on the successes at the Women's EURO 2025, and commented in detail on the most important globally relevant categories (Football, Running, Training, Basketball), new products in the Performance and Lifestyle areas, and adidas' strategic orientation. Moreover, the Chairman of the Audit Committee outlined the discussions in the Audit Committee on ESG topics and sustainability reporting. Finally, the Supervisory Board was informed about the status of selected legal disputes and proceedings, and training opportunities for the Supervisory Board members.

In the Supervisory Board meeting in October, the focus was on discussing the current business situation, particularly in view of the impact of the US tariffs, the order book development, and the preliminary financial results for the third quarter. Furthermore, the Executive Board presented the workforce development, collective bargaining topics, and the internal salary adjustments made by adidas in Germany. The Executive Board also outlined the operating model changes in view of the strategic orientation, the related further reduction of previously identified roles and positions, and the new approach to performance management at adidas. Moreover, we were given an overview of the latest adidas brand and product topics, marketing campaigns, and key partnerships, especially in view of the most important globally relevant categories (Football, Running, Training, Basketball). We also discussed the strategic significance of AI and various potential areas of application for AI within the company. Finally, we prepared the self-assessment of the Supervisory Board (efficiency examination) and its committees.

In an extraordinary Supervisory Board meeting in early November, the Executive Board and Supervisory Board discussed statements made by IGBCE.

In the December meeting, we focused on the preliminary Budget Plan for the 2026 financial year presented by the Executive Board as well as on material marketing and sponsorship agreements. After a thorough review, we approved the final Budget Plan presented to us for resolution in early 2026. Furthermore, the Executive Board gave a thorough report on the current business situation and the outlook for the year under review, including an assessment of the impact of the US tariffs, and macroeconomic and geopolitical risks. We also focused on the Executive Board's reports on adidas brand and product topics, current marketing campaigns, and key partnerships. We also deliberated on the assessment of the Supervisory Board members' independence, resolved the Declaration of Compliance with the German Corporate Governance Code, and reviewed the objectives of the Supervisory Board regarding its composition (incl. the competency profile). Furthermore, we discussed the fulfillment of the statutory gender quota in the Supervisory Board stipulated in § 96 section 2 sentences 1, 3, and 4 AktG. In view of the Supervisory Board elections of the shareholder representatives at the 2026 Annual General Meeting, the shareholder representatives resolved pursuant to § 96 section 2 sentence 3 AktG that the minimum quota of 30% women and 30% men on the Supervisory Board has to be fulfilled separately. Moreover, the Supervisory Board was thoroughly informed about the succession planning for the Executive Board and Supervisory Board as discussed in the General Committee and Nomination Committee as well as potential adjustments of the compensation system for the Executive Board. We also discussed the results of the self-assessment (efficiency examination) of our work. Based on the self-assessment results, we derived selective measures to improve the Supervisory Board's work. In general, the self-assessment results confirmed that the work of the Supervisory Board and its committees is highly efficient. The Supervisory Board also discussed a transaction requiring Supervisory Board approval and resolved upon it by way of circular resolution. Following the Supervisory Board meeting, the Supervisory Board and the Executive Board attended a workshop on innovation at adidas and product exhibitions.

Tasks and topics in the committees

In order to perform our tasks in an efficient manner, we have established a total of five standing Supervisory Board committees. The committees prepare resolutions and topics for the meetings of the entire Supervisory Board. Within the legally permissible framework and in appropriate cases, we have furthermore delegated the Supervisory Board's authority to pass certain resolutions to individual committees. With the exception of the Audit Committee, the Chairman of the Supervisory Board also chairs all the standing committees. The respective committee chairmen report to the Supervisory Board on their work as well as the content and results of the committee meetings on a regular and comprehensive basis.

The **Steering Committee** did not meet in the year under review.

The **General Committee** held three meetings in the year under review (2024: five meetings). The main task of the General Committee was to prepare resolutions for the entire Supervisory Board on personnel and compensation matters of the Executive Board. Regarding Executive Board compensation, the General Committee mainly drafted proposals for resolutions on the targets, the target achievement, and the amount of the variable performance-related compensation, and pre-examined the appropriateness of the Executive Board compensation. Moreover, the General Committee dealt with the succession planning for the Executive Board, the compensation report for the year under review, the revision of the compensation systems for the members of the Executive Board and the Supervisory Board, and the resulting amendments of the Executive Board service contracts. The General Committee also discussed the feedback from the roadshows with investors on compensation and governance topics and the long-term succession planning for the Executive Board.

The **Audit Committee** held four meetings in the year under review (2024: four meetings). The Chief Financial Officer and the auditor were present at all meetings and reported to the committee members in

detail. The Audit Committee followed the recommendation of the Code and regularly consulted with the auditor in the Audit Committee meetings without the Executive Board being present.

In addition to monitoring the accounting process, the committee's work focused on the audit of the 2024 annual financial statements and consolidated financial statements, including the combined Management Report and the non-financial statement of adidas AG and the Group, as well as the proposal regarding the appropriation of retained earnings. Following a detailed presentation of the audit reports by the auditor, the Audit Committee decided to recommend that the Supervisory Board approve the 2024 annual financial statements and consolidated financial statements. Furthermore, the Audit Committee prepared the audit of the non-financial statement.

In the year under review, the Audit Committee thoroughly discussed the continued development and monitoring of the effectiveness and adequacy of the Risk Management System, the Internal Audit System, the Internal Control System, and the Compliance Management System. Other matters of thorough deliberation were the assignment of the audit mandate to the auditor and the determination of the audit fees and key audit matters. Furthermore, the Audit Committee commissioned the auditor with the limited assurance audit of the content of the non-financial statement, which was prepared in line with the ESRS. In addition, the Audit Committee monitored the auditor's independence and qualification, while also taking into account the non-audit services provided by the auditor. With regard to assessing the quality of the audit, the Audit Committee determined on the basis of, inter alia, an internal quality review that there were no indications of insufficient quality of the 2024 audit. The Audit Committee discussed the quarterly financial results and the half-year financial report. Furthermore, in the year under review, the Audit Committee thoroughly dealt with the audit plan and the risk management report. In each committee meeting, the Audit Committee was also informed about the findings and developments of the Internal Audit department and current cases and developments in the area of compliance.

Moreover, topics such as data privacy and information security as well as ESG, sustainability topics, and sustainability reporting at adidas were discussed during the Audit Committee meetings. Global Business Services, the key audit findings of Internal Audit, and the S4/HANA implementation at adidas were further topics of discussion. The Audit Committee also deliberated on the tax strategy and the audit requirements to be observed by the Supervisory Board for the public country-by-country reporting (pCbCR). In February, the Audit Committee decided by way of a circular resolution to commission the (limited assurance) audit of the combined non-financial statement in the Group Management Report for the 2024 financial year, as the EU directives regarding sustainability reporting (CSRD) had not yet been implemented.

The **Nomination Committee** held three meetings in the year under review (2024: two meetings). The focus topic both of meetings and of deliberations in the period between the meetings was the preparation of the Supervisory Board's proposals for the election of the Supervisory Board members representing the shareholders to the 2025 and 2026 Annual General Meetings. Following thorough discussions, specific candidate proposals were prepared that took into account the competency and diversity profile defined by the Supervisory Board, and the qualification matrix for the Supervisory Board members, the statutory requirements for the candidates' suitability and independence, and the applicable recommendations of the Code as well as investor expectations and feedback.

Furthermore, the Nomination Committee discussed the general succession planning for the Supervisory Board, in particular for the position of the Chairman of the Supervisory Board, which included consideration of investor expectations. This also comprised a thorough review of the Supervisory Board's objectives regarding its composition, the Supervisory Board's competency and diversity profile, and the independence and availability of the Supervisory Board members. The Nomination Committee concluded that all members of the Supervisory Board generally have sufficient time to perform their tasks. Finally, the Nomination Committee prepared resolution proposals for the Supervisory Board.

As in previous years, the **Mediation Committee**, established in accordance with the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), did not have to be convened in the year under review.

Election and composition of the Supervisory Board

At the end of the Annual General Meeting on May 15, 2025, Thomas Rabe's term of office expired. Thomas Rabe was elected to the Supervisory Board for the period until the end of the 2026 Annual General Meeting by the shareholders and, during the constituent Supervisory Board meeting directly after the Annual General Meeting, as Chairman of the Supervisory Board by the Supervisory Board members.

Furthermore, Ian Gallienne resigned as Additional Deputy Chairman at the end of the Annual General Meeting on May 15, 2025. The Chairman and his two Deputies as well as the committee members were elected at the constituent meeting of the Supervisory Board. Paul Francis Seline was elected as First Deputy Chairman and Nassef Sawiris was elected as Additional Deputy Chairman of the Supervisory Board.

Moreover, at the Supervisory Board meeting on March 4, 2025, Oliver Mintzlaff was elected as a further member of the Audit Committee. There were no other changes in the Audit Committee.

▶ SEE SUPERVISORY BOARD

With regard to the representation of women and men, the Supervisory Board complies with the statutory minimum quota pursuant to § 96 section 2 sentence 1 AktG. Prior to the resolution on the election proposals, the shareholder representatives had resolved that the minimum quota of 30% women and 30% men on the Supervisory Board should be fulfilled separately for the shareholder representatives and the employee representatives in accordance with § 96 section 2 sentence 3 AktG.

The members of the Supervisory Board are individually responsible for undertaking any necessary training and further education measures required for their tasks. To assist them in their role, the company offers new Supervisory Board members or members who assume new responsibilities an introduction to the work of the Supervisory Board and/or to new areas of responsibility within adidas AG. In this regard, the Supervisory Board members receive a detailed introduction to the business and subject areas that are relevant for their particular tasks. Oliver Mintzlaff, the new Audit Committee member, participated in comprehensive introductory sessions in the areas of, inter alia, accounting, internal control and risk management systems, compliance, and ESG. The company also informed the Supervisory Board regularly about current legislative changes, particularly with regard to the increasing regulation of ESG topics and sustainability reporting, and about opportunities for external training, and provided relevant specialist literature.

Changes on the Executive Board

In the year under review, there were no changes on the Executive Board.

▶ SEE EXECUTIVE BOARD

Corporate governance

The Supervisory Board regularly monitors the application and further development of the corporate governance regulations within the company, in particular the implementation of the regulations of the Code. The Supervisory Board and its committees dealt with the corporate governance requirements of the German Stock Corporation Act and the Code at their meetings. Further detailed information on corporate governance within the company is set out in the Declaration on Corporate Governance.

▶ SEE DECLARATION ON CORPORATE GOVERNANCE

Following thorough deliberations, the current Declaration of Compliance pursuant to § 161 AktG was resolved by the Executive Board and the Supervisory Board of adidas AG in December 2025 and was made permanently available on our website.

▶ ADIDAS-GROUP.COM/CORPORATE-GOVERNANCE

In the year under review, there were no conflicts of interest among the members of either the Supervisory Board or the Executive Board. In the opinion of the Supervisory Board, the brand ambassador agreement between adidas and the Supervisory Board member Jackie Joyner-Kersee does not constitute a conflict of interest with regard to her role on the Supervisory Board. Furthermore, in the year under review, the Supervisory Board approved a transaction with a company in which a Supervisory Board member holds a management position. The Supervisory Board member in question did not participate in the discussions on the matter or in the voting on the respective resolution.

Examination of the annual financial statements and consolidated financial statements

Following the Supervisory Board's proposal, which was based on the Audit Committee's recommendation, the 2025 Annual General Meeting appointed PwC as auditor and Group auditor for the 2025 financial year. Prior to this, PwC had confirmed to both the Supervisory Board and the Audit Committee that there were no circumstances which could prejudice their independence as auditor or which could cast doubt on PwC's independence. In this respect, PwC also declared the extent to which non-audit services were rendered for the company in the previous financial year or were contractually agreed for the following year.

PwC audited the 2025 consolidated financial statements prepared by the Executive Board in accordance with § 315e of the German Commercial Code (Handelsgesetzbuch – HGB) in compliance with the IFRS Accounting Standards, as they are to be applied in the European Union, and issued an unqualified opinion thereon. The auditor also approved without qualification the 2025 annual financial statements of adidas AG, prepared in accordance with HGB requirements, and the combined Management Report for adidas AG and the Group. Furthermore, as commissioned by the Supervisory Board, PwC audited the non-financial statement. The financial statements, the proposal on the appropriation of retained earnings, and the reports of the auditor on the annual financial statements and consolidated financial statements were distributed by the Executive Board to all Supervisory Board members in a timely manner.

The financial statements were examined in depth, with a particular focus on legality and regularity, in the presence of the auditor in the Audit Committee meeting held on March 2, 2026, and in the balance sheet meeting of the Supervisory Board on March 3, 2026, during which the Executive Board explained the financial statements in detail. In both meetings, the auditor reported on the material results of the audit, inter alia with regard to the audit focus points agreed and key audit matters, and was available for questions, providing additional information. The auditor did not report any significant weaknesses of the Internal Control and Risk Management Systems with regard to the accounting process. Prior to the passing of the resolution, the auditor reported on the results of the audit of the content of the non-financial statement with limited assurance, as commissioned by the Audit Committee. In addition, the Supervisory Board thoroughly discussed and approved the Executive Board's proposal concerning the appropriation of retained earnings for the 2025 financial year.

Based on our own examinations of the annual financial statements and consolidated financial statements (including the non-financial statement), we concluded that there are no objections to be raised. Therefore, following the recommendation of the Audit Committee, the Supervisory Board agreed with the auditor's audit results and approved the financial statements prepared by the Executive Board, including the non-financial statement, for the 2025 financial year. The annual financial statements were thus adopted. PwC has been acting as auditor and Group auditor for adidas AG since the 2023 financial year. As the responsible audit partners since the 2023 financial year, the auditors Rainer Kroker and Christian Landau have signed the financial statements.

Expression of thanks

On behalf of the entire Supervisory Board, I wish to thank the current Executive Board and all our employees around the world for their great personal dedication and ongoing commitment. I would also like to express my gratitude for the enduring trust and cooperation between the employee and shareholder representatives on the Supervisory Board.

For the Supervisory Board



THOMAS RABE

CHAIRMAN OF THE SUPERVISORY BOARD

March 2026

Declaration on Corporate Governance

Corporate governance stands for responsible, transparent corporate management and control geared toward a long-term increase in value. We are convinced that good corporate governance is an essential basis for sustainable corporate success and strengthens the trust placed in our company by our shareholders, business partners, and employees, as well as the financial markets.

Declaration of the adidas AG Executive Board and Supervisory Board regarding the German Corporate Governance Code pursuant to § 161 German Stock Corporation Act (Aktiengesetz – AktG)

The adidas AG Executive Board and Supervisory Board issued their last Declaration of Compliance with the German Corporate Governance Code pursuant to § 161 AktG in December 2024 and made an intra-year change in June 2025. The following declaration refers to the recommendations of the 'Government Commission on the German Corporate Governance Code' in the version of April 28, 2022, published in the Federal Gazette on June 27, 2022 ('Code').

The adidas AG Executive Board and Supervisory Board declare that since the publication of their last complete Declaration of Compliance in December 2024, the recommendations of the Code have been and are met with the following exceptions:

Recommendation C.5 Alternative 1

As already declared in June 2025, the Supervisory Board member Ian Gallienne no longer serves as Chief Executive Officer of Groupe Bruxelles Lambert ('GBL') since May 2025 but now holds the position of Chairman of the Board of Directors of GBL. Consequently, there is no longer any (precautionary) deviation from recommendation C.5 of the Code.

Recommendation C.5 Alternative 2

The Chairman of the Supervisory Board, Thomas Rabe, is also Chief Executive Officer of the listed company RTL Group S.A., Luxembourg. In this respect, the company deviates from recommendation C.5 alternative 2 of the Code. However, the Supervisory Board is convinced that Thomas Rabe's mandate at RTL Group S.A. does not affect the due performance of his duties as Chairman of the Supervisory Board. In particular, the Supervisory Board has assured itself that Thomas Rabe has sufficient time to perform his duties.

Herzogenaurach, December 2025

For the Executive Board	For the Supervisory Board
BJØRN GULDEN	THOMAS RABE
Chief Executive Officer	Chairman of the Supervisory Board

The aforementioned Declaration of Compliance has been published on and can be downloaded from our website.

▶ ADIDAS-GROUP.COM/CORPORATE-GOVERNANCE

Dual board system

As a globally operating stock corporation with its registered seat in Herzogenaurach, Germany, adidas AG is subject to, inter alia, the provisions of German stock corporation law. A dual board system, which assigns the management of the company to the Executive Board and advice and supervision of the Executive Board to the Supervisory Board, is one of the fundamental principles of German stock corporation law. These two boards are strictly separated in terms of both members and competencies. However, both boards cooperate closely in the interest of the company.

Composition and working methods of the Executive Board

The composition of our Executive Board, which consists of four members, reflects the international structure of our company.

The Executive Board is responsible for independently managing the company with the aim of sustainable value creation in the best interest of the company, developing the company's strategic orientation, coordinating it with the Supervisory Board, and ensuring its implementation. Furthermore, it determines business objectives, the corporate policy, and the organization of the Group. In this respect, the Executive Board also systemically assesses risks and opportunities for the company linked with social and environmental factors as well as the environmental and social impact of its business activities. Moreover, the Executive Board is responsible for preparing the quarterly statements, the half-year report, and the annual financial statements and consolidated financial statements as well as the combined Management Report of adidas AG and the Group. Furthermore, the Executive Board prepares a combined non-financial statement for the company and the Group in accordance with the Corporate Sustainability Reporting Directive ('CSRD') and the European Sustainability Reporting Standards ('ESRS'). Additionally, the Executive Board ensures responsible management of business resources as well as compliance with and observance of legal provisions and internal regulations by the Group companies. For this purpose, the Executive Board sets up an Internal Control System and Risk Management System that is adequate and effective in view of the scope of business activities and the company's risk situation, which comprises a Compliance Management System aligned to the company's risk situation and also covers sustainability-related objectives. The Executive Board also provides employees with the opportunity to report, in an appropriate and protected manner, suspected legal infringements within the company. It is tied to the company's interests and obligated to strive for a sustainable increase in the company's value.

Notwithstanding the Executive Board's joint responsibility for managing the company, the Executive Board members are individually responsible for managing their respective operations in accordance with the Business Allocation Plan for the Executive Board. There are no Executive Board committees. The Chief Executive Officer represents the Executive Board and the company and is in charge of the overall management and development of the company, including cooperation with the Supervisory Board, as well as coordination and supervision of the Executive Board members' work, the Executive Board areas, operations, brands, and markets. The Executive Board members continuously report to the Chief Executive Officer and to each other about all significant developments in their respective business areas and coordinate with each other on all cross-functional measures. Collaboration within the Executive Board is further governed by the Rules of Procedure of the Executive Board and the Business Allocation Plan. These documents specifically stipulate requirements for meetings and resolutions as well as for cooperation with the Supervisory Board.

The Executive Board and Supervisory Board cooperate closely and trustfully for the benefit of the company. The Executive Board reports to the Supervisory Board regularly, extensively, and in a timely manner on all matters relevant to the company's strategy, planning, business development, financial position, and

compliance, as well as on material business risks. Fundamental questions related to the corporate strategy and its implementation are thoroughly discussed and aligned with the Supervisory Board.

The composition of the Executive Board is determined by the Supervisory Board. The Supervisory Board is committed to promoting a culture of diversity at adidas. Diversity is understood in the broadest sense, including age, gender, cultural origin, nationality, educational background, professional qualifications, and experience.

Greater diversity on the Executive Board will help secure the long-term success of adidas by taking diverse perspectives into account. For this reason, the Supervisory Board has adopted a diversity concept. In addition, an age limit of 67 years applies for Executive Board members.

The General Committee of the Supervisory Board already takes the diversity concept into account when selecting candidates for Executive Board positions. Every decision by the Supervisory Board on the composition of the Executive Board is made in the best interests of the company and with due consideration of all circumstances in each individual case. In the Supervisory Board's opinion, the current composition of the Executive Board meets the diversity concept mentioned above.

As at the balance sheet date, no member of the Executive Board has accepted a Supervisory Board chair or more than two Supervisory Board mandates in non-group listed companies or in supervisory bodies of non-group companies with comparable requirements.

▶ SEE EXECUTIVE BOARD

Composition and working methods of the Supervisory Board

Our Supervisory Board consists of 16 members. It comprises eight shareholder representatives and eight employee representatives in accordance with the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG). The shareholder representatives are elected by the shareholders at the Annual General Meeting and the employee representatives are elected by the employees.

▶ SEE SUPERVISORY BOARD

While the eight employee representatives had already been elected by the employees of adidas AG prior to the 2024 Annual General Meeting, the most recent regular election of the eight shareholder representatives took place at the 2024 Annual General Meeting. In order to strengthen shareholders' voting rights, meet the demands of modern corporate governance, and be able to react flexibly to changing competency requirements, the 2024 Annual General Meeting made use of the option stipulated in § 9 section 2 of the Articles of Association of adidas AG to shorten the maximum term of office from five to four years and to introduce staggered terms of office for the shareholder representatives on the Supervisory Board ('staggered board'). In this regard, by way of individual voting, some shareholder representatives were elected to the Supervisory Board for terms of office of one, two, three or four years.

In order to increase the efficiency of its work and to deal with complex matters, the Supervisory Board has formed five permanent committees from among its members, which, inter alia, prepare its resolutions and, in certain cases, pass resolutions on its behalf. At present, these committees are as follows:

Committee	Members
Steering Committee	Thomas Rabe (Chairman) Nassef Sawiris Paul Francis Seline
General Committee	Thomas Rabe (Chairman) Birgit Biermann Linda Evenhuis Ian Gallienne Nassef Sawiris Paul Francis Seline
Audit Committee	Bodo Uebber (Chairman) Christian Klein Oliver Mintzlaff Thomas Sapper Günter Weigl
Nomination Committee	Thomas Rabe (Chairman) Oliver Mintzlaff Nassef Sawiris
Mediation Committee (§ 27 paragraph 3 MitBestG)	Thomas Rabe (Chairman) Bastian Knobloch Nassef Sawiris Paul Francis Seline

The tasks, responsibilities, and work processes of the committees are in line with the requirements of the German Stock Corporation Act and the Code. The Chairmen of the committees regularly report to the Supervisory Board on the results of the committee work.

Further information on the committees can be found on the company's website.

▶ ADIDAS-GROUP.COM/SUPERVISORY-BOARD-COMMITTEES

Taking into account the recommendations of the Code, the Rules of Procedure of the Supervisory Board and the Rules of Procedure of the Audit Committee clarify that the Supervisory Board's supervision and advising activities also include, in particular, sustainability issues. While the entire Supervisory Board has primary responsibility for the adidas Group's relevant environmental/sustainability, social and governance (ESG) matters, the Audit Committee also monitors sustainability topics. Accordingly, sustainability reporting and its audit are part of accounting and the annual audit, which fall within the Audit Committee's sphere of responsibility. Further information on the competency profile for the entire Supervisory Board and the sustainability-related expertise of the individual Supervisory Board members relevant to the company are outlined in the qualification matrix below.

Objectives for the composition of the Supervisory Board

At its meeting in December 2025, the Supervisory Board reviewed and confirmed its objectives regarding its composition (including the competency profile for the entire Supervisory Board). The objectives are published on our website. According to these objectives, the Supervisory Board should be composed in such a way that qualified supervision of and advice to the Executive Board are ensured. Its members, on the whole, are expected to have the knowledge, skills, and professional experience required to properly perform the tasks of a supervisory board in a capital market-oriented international company in the sporting goods industry. Therefore, it is ensured that the Supervisory Board possesses the competencies considered essential in view of adidas' activities. This includes, in particular, in-depth knowledge and experience in the sporting goods, and sports- and leisurewear industry, in the business of fast-moving

consumer-oriented goods and in the areas of digital transformation and information technology (including IT security and artificial intelligence), production, marketing, and sales, as well as in the e-commerce and retail sector. Moreover, the Supervisory Board is expected to possess knowledge and experience in the markets relevant for adidas, in particular the Asian and US markets, and in the management of a large international company. Furthermore, the Supervisory Board as a whole must possess knowledge and experience in the areas of business strategy development and implementation, personnel planning and management, accounting and financial reporting, governance/compliance, and sustainability issues relevant to adidas, including environmental, social, and governance aspects. At least one member of the Supervisory Board must have expertise in the field of accounting, and at least one further member of the Supervisory Board must have expertise in the field of auditing. Accounting and auditing also include sustainability reporting and its audit and assurance. The Supervisory Board members as a whole must be familiar with the sporting goods industry.

▶ ADIDAS-GROUP.COM/BODIES

Regarding the independence of its members, the Supervisory Board considers the following provisions to be appropriate: More than half of the Supervisory Board members should be independent within the meaning of the Code, whereby it is assumed that the employee representatives' independence is not impaired either by their role as employee representatives or by their status as adidas employees. If we consider shareholder representatives and employee representatives separately, more than half of the Supervisory Board members in each of these groups should be independent. From the company's perspective and following the regulations of the Code, Supervisory Board members are to be considered independent if they have no personal or business relationship with the company or its Executive Board that may cause a substantial, and not merely temporary, conflict of interest.

More than two-thirds of the shareholder representatives should be free of any potential conflicts of interest. This applies, in particular, to potential conflicts of interest that may arise as a result of an advisory or governing body function among customers, suppliers, lenders, or other third parties. As a rule, members of the Supervisory Board should not have a governing body or advisory function with any key competitor and should not have a personal relationship with any key competitor.

Furthermore, the Supervisory Board is committed to a diverse composition in terms of age, gender, cultural origin, nationality, educational background, professional qualifications, and experience. An adequate number of the shareholder representatives should have long-standing international experience. In addition, each Supervisory Board member must ensure that they have sufficient time to properly perform the tasks associated with the mandate. In general, the age limit for the Supervisory Board members should be 72 years at the time of their appointment. As a rule, the length of membership in the Supervisory Board should not exceed twelve years or three terms of office.

In the Supervisory Board's assessment, the Supervisory Board as a whole fulfills the objectives stated and the competency profile in its current composition. With Thomas Rabe, Chairman of the Supervisory Board, Bodo Uebber, Chairman of the Audit Committee, and the Audit Committee member Christian Klein, at least three members of the Supervisory Board have proven expertise in the fields of accounting and auditing. They have expert knowledge and experience both in accounting and in the application of accounting principles as well as in internal control systems and risk management systems and in sustainability reporting and its audit and assurance.

In the opinion of the Supervisory Board, all shareholder representatives qualified as independent in the year under review. The names of the independent shareholder representatives are set out in the overview of all Supervisory Board members in this Annual Report.

▶ SEE SUPERVISORY BOARD

The Supervisory Board's proposals for the Supervisory Board elections to the Annual General Meeting are prepared by the Nomination Committee. The committee takes into account the objectives regarding the Supervisory Board's composition resolved by the Supervisory Board and also aims at fulfilling the competency profile developed by the Supervisory Board for the Board as a whole. The Supervisory Board pays attention to a balanced composition to ensure that the required know-how is represented on as broad a scale as possible. Moreover, the Supervisory Board ascertains from each proposed candidate whether they have sufficient time to perform their mandates.

The Supervisory Board's diversity profile as well as the competency profile for the entire Supervisory Board and the expertise of the individual Supervisory Board members are outlined in the following overviews[11]:

Diversity profile of the Supervisory Board: shareholder representatives

Diversity as at December 31, 2025	Thomas Rabe	Ian Gallienne	Jackie Joyner-Kersee	Christian Klein	Oliver Mintzlaff	Nassef Sawiris	Bodo Uebber	Jing Ulrich
Gender[1]	m	m	f	m	m	m	m	f
Year of birth	1965	1971	1962	1980	1975	1961	1959	1967
Nationality	German	French	US-American	German	German	Egyptian/Belgian	German	US-American
Educational background	MBA[2], Dr. rer. pol.[3]	MBA[2]	BA (Hist.)[4]	IBWL[5]	BWL[6]	BA (Econ.)[7]	Diploma in Industrial Engineering	MA (EAS)[8]

1 f = female, m = male.
2 Master of Business Administration.
3 Doctor of Economics.
4 Bachelor in History.
5 International Business Administration.
6 Business Administration.
7 Bachelor in Economics.
8 Master in East Asian Studies.

Diversity profile of the Supervisory Board: employee representatives

Diversity as at December 31, 2025	Paul Francis Seline	Birgit Biermann	Linda Evenhuis	Bastian Knobloch	Petar Mitrovic	Thomas Sapper	Harald Sikorski	Günter Weigl
Gender[1]	m	f	f	m	m	m	m	m
Year of birth	1965	1973	1973	1982	1975	1966	1966	1965
Nationality	US-American	German	Dutch	German	German	German	German	German
Educational background	MA[2] (Diplom Exportwirt)	Lawyer	BA[3]	IT Specialist	MA[4]	MBA[5] (Diplom Kaufmann)	Energy systems electronics technician	Diploma in Sports Economics

1 f = female, m = male.
2 Master in International Marketing.
3 Bachelor in International Business and Languages.
4 Master in Humanities.
5 Master of Business Administration.

[11] Disclosure pursuant to ESRS 2, paragraphs 20a, 20c, and 21c.

Supervisory Board competency profile: shareholder representatives

Qualifications and competencies as at December 31, 2025	Thomas Rabe (2019)[1]	Ian Gallienne (2016)[1]	Jackie Joyner-Kersee (2021)[1]	Christian Klein (2020)[1]	Oliver Mintzlaff (2024)[1]	Nassef Sawiris (2016)[1]	Bodo Uebber (2019)[1]	Jing Ulrich (2019)[1]
Auditing[2]	✓			✓ (AC)[4]			✓ (AC)[4]	
Accounting[3]	✓			✓ (AC)[4]			✓ (AC)[4]	
ESG	✓ (G)[5]	✓ (G)[5]	✓ (S)[5]	✓(E, G)[5]	✓ (S, G)[5]	✓ (G)[5]	✓ (E, S, G)[5]	
International management	✓	✓		✓	✓	✓	✓	✓
Sporting goods industry		✓	✓		✓	✓		
Business with fast-moving consumer goods	✓	✓			✓		✓	
Main markets			✓ (US)[6]		✓ (AS, EU, US)[6]			✓ (AS)[6]
Production, marketing, sales	✓	✓		✓	✓	✓	✓	
Business strategy development and implementation	✓	✓		✓	✓	✓	✓	
Digital transformation, IT and IT security, AI	✓			✓				
Personnel planning and management	✓	✓			✓	✓	✓	

1 Year of appointment as Supervisory Board member.
2 Incl. special knowledge and experience in auditing non-financial reporting.
3 Incl. special knowledge and experience in internal control and risk management systems as well as sustainability reporting.
4 AC = Audit Committee.
5 E = Environmental, S = Social, G = Governance (incl. Compliance).
6 AS = Asian market, EU (EMEA) = Europe (Europe, Middle East, Africa), US = United States market.

Supervisory Board competency profile: employee representatives

Qualifications and competencies as at December 31, 2025	Paul Francis Seline (2024)[1]	Birgit Biermann (2022)[1]	Linda Evenhuis (2024)[1]	Bastian Knobloch (2022)[1]	Petar Mitrovic (2024)[1]	Thomas Sapper (2024)[1]	Harald Sikorski (2024)[1]	Günter Weigl (2019)[1]
Auditing[2]								
Accounting[3]								
ESG		✓ (E, S, G)[4]					✓ (S, G)[4]	✓ (E, S, G)[4]
International management								✓
Sporting goods industry	✓		✓	✓	✓	✓		✓
Business with fast-moving consumer goods	✓		✓	✓	✓	✓		✓
Main markets								✓ (EU)[5]
Production, marketing, sales	✓							✓
Business strategy development and implementation								
Digital transformation, IT and IT security, AI				✓		✓		
Personnel planning and management		✓	✓		✓		✓	

1 Year of appointment as Supervisory Board member.
2 Incl. special knowledge and experience in auditing non-financial reporting.
3 Incl. special knowledge and experience in internal control and risk management systems as well as non-financial reporting.
4 E = Environmental, S = Social, G = Governance (incl. Compliance).
5 AS = Asian market, EU (EMEA) = Europe (Europe, Middle East, Africa), US = United States market.

Tasks of the Supervisory Board

The Supervisory Board supervises and advises the Executive Board on the management of the company. The supervision and advice include sustainability issues in particular. The Executive Board regularly, expeditiously, and comprehensively reports on the strategy, planning, business development, the company's risk situation, risk management, and the compliance organization as well as material compliance cases and litigation, and coordinates the corporate strategy and its implementation with the Supervisory Board. The Supervisory Board examines and approves the annual financial statements and consolidated financial statements as well as the combined Management Report of adidas AG and the Group, taking into consideration the auditor's reports, and resolves upon the proposal of the Executive Board on the appropriation of retained earnings. Additionally, it resolves on the Supervisory Board's resolution proposals to the Annual General Meeting. Moreover, the Supervisory Board examines the combined non-financial statement for the company and the Group and any separate non-financial reports. Certain business transactions and measures of the Executive Board with fundamental significance are subject to approval by the Supervisory Board or by a Supervisory Board committee. The respective details are set out in § 9 of the Rules of Procedure of the Supervisory Board of adidas AG. Furthermore, the requirement of prior Supervisory Board approval is stipulated in some resolutions by the Annual General Meeting.

The Supervisory Board is also responsible for the appointment and dismissal of the Executive Board members as well as for the allocation of their areas of responsibility. The respective proposals are prepared by the General Committee. When appointing new Executive Board members, the Supervisory Board provides for the best possible, diverse and mutually complementary Executive Board composition for the company and, together with the Executive Board, ensures long-term succession planning. The Supervisory Board takes a structural approach in its succession planning for the individual Executive Board positions. This is based on multiple planning horizons. This ensures a sustainable approach to identifying and evaluating successor candidates for Executive Board positions. The Supervisory Board and the General Committee discuss succession planning on a regular basis.

Furthermore, the Supervisory Board determines the Executive Board compensation system, examines it regularly, and decides on the individual overall compensation of each Executive Board member. The Supervisory Board, together with the Executive Board, annually prepares a clear and comprehensible report on the compensation granted and due in the previous financial year in accordance with § 162 AktG. Further information on Executive Board compensation, the current compensation system, the Compensation Report, and the auditor's report in accordance with § 162 AktG is available on the company's website.

▶ ADIDAS-GROUP.COM/COMPENSATION

Further information on corporate governance

More information on topics covered in this report can be found on our website, including:

— Articles of Association
— Rules of Procedure of the Executive Board
— Rules of Procedure of the Supervisory Board
— Rules of Procedure of the Audit Committee
— Supervisory Board committees (composition and tasks)
— CVs of Executive Board members and Supervisory Board members
— Objectives of the Supervisory Board regarding its composition (including competency profile for the full Supervisory Board)

▶ ADIDAS-GROUP.COM/CORPORATE-GOVERNANCE

Apart from the members' individual skills, the Rules of Procedure of the Supervisory Board and of the Audit Committee also set out the tasks and responsibilities as well as the procedure for meetings and passing resolutions. These Rules of Procedure are available on our website. The Supervisory Board Report provides information on the activities of the Supervisory Board and its committees in the year under review.

▶ SEE SUPERVISORY BOARD REPORT ▶ ADIDAS-GROUP.COM/BODIES

The members of the Supervisory Board are individually responsible for undertaking any necessary training and professional development measures required for their tasks and, in doing so, are supported by adidas AG. The company informs the Supervisory Board regularly about current legislative changes, particularly with regard to the increasing regulation of environmental, social, and governance ('ESG') topics and non-financial reporting, and about opportunities for external training, and provides relevant specialist literature. Moreover, the Supervisory Board is updated on questions of information security, data privacy, and artificial intelligence as well as relevant regulations in this regard.

To facilitate the performance of their duties, the company also offers new Supervisory Board members or members who assume new responsibilities introductions to the work of the Supervisory Board and/or to new areas of responsibility of Supervisory Board members. In this regard, the Supervisory Board members receive a detailed introduction to the business and subject areas that are relevant for their particular tasks. Oliver Mintzlaff, the new Audit Committee member, participated in comprehensive introductory sessions by the responsible adidas employees in the areas of, inter alia, accounting, internal control and risk management systems, compliance, and ESG.

Moreover, the Supervisory Board as well as the Audit Committee, General Committee, and Nomination Committee regularly assess the efficiency of their work. Following the successful implementation of specific measures to improve the organization of the Supervisory Board's work which had been resolved in the preceding financial years, the Supervisory Board conducted another efficiency examination of its work in the year under review. The Supervisory Board concluded that the Supervisory Board as a whole as well as its respective committees are efficient, and resolved specific measures to further improve the organization of its work.

The compensation of the Supervisory Board members is set out in the Compensation Report.

▶ ADIDAS-GROUP.COM/COMPENSATION

Commitment to the promotion of equal participation of women and men in leadership positions

When filling leadership positions in the company, the Executive Board aims for an appropriate participation of women in particular. The Supervisory Board is also convinced that an increase in the number of women in leadership positions within the company is necessary to ensure that, in the future, a larger number of suitable female candidates is available for Executive Board positions. The Executive Board and Supervisory Board therefore recognize the importance of the company's initiatives to promote women in leadership positions.

▶ SEE PEOPLE AND CULTURE

With Michelle Robertson as Executive Board member for Global Human Resources, People and Culture, we fully meet the requirements of § 76 section 3a AktG introduced with the Second Leadership Positions Act (Führungspositionengesetz – FüPoG II), which stipulates that at least one woman and at least one man be appointed as members of the Executive Board.

In 2025, we continued to advance our inclusion and belonging efforts.

In line with our global ambition to achieve gender balance in leadership positions by December 31, 2033, we further strengthened the pipeline of female talent for senior roles across all markets.

As of December 31, 2025, women held 40.7% of leadership positions at Director level and above globally. At adidas AG women represented 35.7% of leaders on the first management level below the Executive Board (Board-1) and 37.0% on the second management level (Board-2). Despite intensified efforts, we ended 2025 slightly below our target of 40% for both management levels, set by the Executive Board in 2023. Achieving this threshold would have required an additional two women on Board-1 and seven women on Board-2. Our limited number of positions on these management levels in Germany reflects our global operating model, where positions are aligned with where the consumer is, rather than concentrated in one single market.

This development must be viewed in the context of adidas' operating model changes and the attrition related to it, which was unknown at the time targets were formulated. To position the company for long-term success, we implemented structural changes to better align our operating model with the realities of our work. These adjustments resulted in role reductions across several business areas at our Herzogenaurach headquarters, affecting management levels and reducing external hiring activity.

To support continued progress toward our global ambition of gender balance by 2033, the Executive Board has set a new five-year target through December 31, 2030. For both management levels below the Executive Board of adidas AG, women's representation is now targeted within a corridor of 40% – 50%.

In accordance with § 96 section 2 sentence 1 AktG, at least 30% of the members of the Supervisory Board must be female and at least 30% must be male. As the Supervisory Board objected to an overall fulfillment of the aforementioned quota pursuant to § 96 section 2 sentence 3 AktG, the minimum quota must be fulfilled separately by the Supervisory Board in the year under review, with the numbers of male and female members rounded up or down to full numbers (§ 96 section 2 sentences 2 and 4 AktG). Thus, the Supervisory Board of adidas AG must consist of at least two women and two men on the shareholder representative side and on the employee representative side. These minimum quotas were achieved.

As at December 31, 2025, two Supervisory Board mandates were held by women and six Supervisory Board mandates were held by men on both the shareholder representative side and the employee representative side.

The company will continue to intensify its inclusion and belonging efforts in order to remain an attractive employer in the future. There will be a particular focus on a long-term approach to equity in leadership positions – both through hiring and through appropriate succession planning.

▶ SEE PEOPLE AND CULTURE

Avoiding conflicts of interest

The members of the Executive Board and Supervisory Board are obligated to disclose any conflicts of interest to the Supervisory Board without delay. Substantial transactions between the company and members of the Executive Board or related parties of the Executive Board require Supervisory Board approval. Contracts between the company and members of the Supervisory Board also require Supervisory Board approval. The Supervisory Board reports any conflicts of interest, as well as the handling thereof, to the Annual General Meeting.

▶ SEE SUPERVISORY BOARD REPORT

Share transactions conducted by the Executive Board and Supervisory Board

An overview of the transactions of the Executive Board and the Supervisory Board pursuant to Article 19 of Regulation (EU) No 596/2014 (Market Abuse Regulation) notified to adidas AG in 2025 is published on our website.

▶ ADIDAS-GROUP.COM/MANAGERS-TRANSACTIONS

Relevant management practices

Our business activities are aligned with the legal systems of the various countries and markets in which we operate. We are also aware of our considerable social and environmental responsibility.

We will remain committed to sustainability in the years ahead, advancing our environmental priorities across climate, circularity, and nature. Regarding climate, we will drive reductions in greenhouse gas emissions across our operations and value chain, in line with our adidas Climate Transition Action Plan (CTAP) and through collaboration with supply chain partners. Therefore, we aim to reduce greenhouse gas emissions by 42% by 2030 compared to the base year 2022. For nature, we will uphold our commitment to deforestation-free supply chains and integrate environmental considerations into the sourcing of nature-derived materials as outlined in our Biodiversity and Ecosystems Policy. In circularity, we will increase the use of recycled materials and strive to minimize waste across our value chain.

Because a sustainable future requires collective effort, we will continue our active involvement in industry initiatives. We will work with organizations such as the UNFCCC, Fashion for Good, Textile Exchange, and Canopy to drive collaborative solutions for our industry.

Further information on company-specific practices that are applied in addition to statutory requirements, such as our Fair Play Code of Conduct, as well as information on compliance with working and social standards within our supply chain, environmentally friendly resource management in our manufacturing processes, and our social commitment, is available in this Annual Report and on our website.

▶ SEE PEOPLE AND CULTURE ▶ SEE SUSTAINABILITY STATEMENT ▶ ADIDAS-GROUP.COM/SUSTAINABILITY

Compliance and risk management

Compliance with laws, adherence to internal and external provisions, and responsible risk management are part of corporate governance at adidas. Our Compliance Management System is linked to the company's Internal Control and Risk Management System. As part of our global 'Fair Play' concept, the Compliance Management System establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business. It underscores our strong commitment to ethical and fair behavior in our own organization and also sets the parameters for how we deal with others. The principles of our Compliance Management System are set out in the Risk and Opportunity Report. The Risk and Opportunity Management System ensures risk-aware, opportunity-oriented, and informed actions in a dynamic business environment in order to guarantee the competitiveness and sustainable success of adidas.

▶ SEE RISK AND OPPORTUNITY REPORT

Transparency and protection of shareholders' interests

It is our goal to inform all institutional investors, private shareholders, financial analysts, business partners, employees, and the interested public about the company's situation, at the same time and to an equal extent, through regular, transparent, and up-to-date communication. We publish all essential information – such as ad hoc announcements, press releases, and voting rights notifications as well as all presentations from roadshows and conferences, all financial reports, and the financial calendar – on our

website. With our Investor Relations activities, we maintain close and continuous contact with our current and potential shareholders.

▶ SEE OUR SHARE ▶ ADIDAS-GROUP.COM/INVESTORS

In addition, we provide all documents and information on our Annual General Meeting on our website. The shareholders of adidas AG exercise their shareholders' and voting rights at the Annual General Meeting. Each share grants one vote. Through these participation rights, our shareholders can take part in all fundamental decisions of the Annual General Meeting. The company aims to support its shareholders in the best possible manner when they exercise their rights at the Annual General Meeting.

Our Annual General Meeting on May 15, 2025, once again took place with our shareholders being present at the Stadthalle Fürth. At that event, as well as at the next Annual General Meeting in Fürth on May 7, 2026, we offered and will offer our shareholders a comprehensive service. For instance, shareholders can register electronically for the Annual General Meeting through our shareholder portal and cast their votes electronically by postal vote if they do not participate in person at the Annual General Meeting, or they can participate in the voting by granting powers of representation and giving instructions online to the proxies appointed by the company until the end of the general debate at the Annual General Meeting. Moreover, each year, a live stream of the entire Annual General Meeting is available via our shareholder portal for shareholders of adidas AG and via our website for the general public.

▶ ADIDAS-GROUP.COM/AGM

Further information on the principles of our management

More information on topics covered in this report can be found on our website, including:

— Code of Conduct
— Sustainability
— Social commitment
— Risk and opportunity management and compliance
— Information and documents on the Annual General Meeting
— Managers' transactions
— Compensation
— Accounting and annual audit

▶ ADIDAS-GROUP.COM/CORPORATE-GOVERNANCE

Share-based programs for senior executives

A long-term incentive plan ('LTIP'), which is part of the remuneration for senior executives of adidas, applies. Based on this plan, the plan participants receive virtual shares (Restricted Stock Units). As per their contracts, each Executive Board member is entitled to participate in the Long-Term Incentive Plan established for Executive Board members. The adidas shares purchased are subject to a multi-year lock-up period.

▶ SEE NOTE 26 ▶ SEE PEOPLE AND CULTURE ▶ ADIDAS-GROUP.COM/COMPENSATION

Employees of adidas AG and its affiliated companies are able to participate in an employee stock purchase plan under which they can acquire adidas AG shares with a discount and benefit, on a prorated basis, from free matching shares.

▶ SEE NOTE 26

Accounting and annual audit

adidas AG prepares the annual financial statements in accordance with the provisions of the German Commercial Code (Handelsgesetzbuch – HGB) and the AktG. The annual consolidated financial statements are prepared in accordance with the principles of the IFRS Accounting Standards, as adopted by the European Union (EU).

PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, Frankfurt am Main, Germany, was appointed as auditor for the 2025 annual financial statements and consolidated financial statements by the Annual General Meeting of May 15, 2025. The Supervisory Board had previously assured itself of the auditor's independence.

▶ SEE COPY OF THE AUDITOR'S REPORT

Our Share

In 2025, major equity indices ended the year above prior-year levels, supported by steadier inflation and lower interest rates. However, volatility was elevated and sector performance diverged significantly, with consumer-related sectors underperforming the broader market due to geopolitical and macroeconomic developments. Against this backdrop, the adidas AG share performed broadly in line with its sector peer group but lagged the broader stock market, notwithstanding the better-than-expected results for the year. Given the company's strong financial and operational performance in 2025, adidas will propose a dividend of € 2.80 per share, up 40% compared to the prior year, at the Annual General Meeting in May. Total cash returns to shareholders are expected to amount to up to € 1.5 billion in 2026 as the company, in addition to the dividend payout of € 500 million, plans to buy back shares worth up to € 1 billion this year.

adidas AG share member of major indices

The adidas AG share is part of a variety of major indices such as the DAX 40, the EURO STOXX 50, as well as the MSCI World Textiles, Apparel and Luxury Goods Index. As of December 31, 2025, our weighting in the DAX 40 – the German benchmark index – was 2% (2024: 3%), and we ranked 18th on market capitalization (2024: 13th).

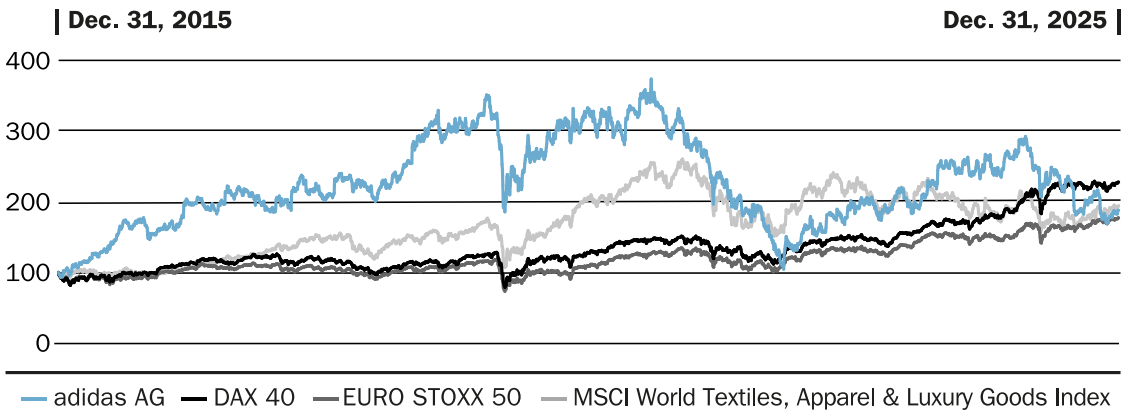
adidas AG share price development in 2025

In 2025, stock markets in aggregate advanced as inflation continued to stabilize and several central banks lowered interest rates, providing a supportive backdrop for financial markets in the second half of the year. The DAX 40 gained 23% and the EURO STOXX 50 18%, respectively. However, consumer-related sectors faced continued headwinds throughout the year, reflecting elevated uncertainty regarding the direct and indirect effects of higher tariffs and implications of ongoing trade tensions. As a result, the MSCI World Textiles, Apparel and Luxury Goods Index was broadly flat and most sporting goods stocks declined significantly in 2025. The adidas AG share developed broadly in line with its sector peer group, ending 2025 with a 29% decrease compared to the prior year, despite an upgrade to the financial guidance in October 2025 and better-than-expected results for the year.

Our Level 1 ADR closed 2025 at US $ 98.85, representing a decrease of 19% versus the prior-year level (2024: US $ 121.77). The number of Level 1 ADRs outstanding amounted to 7.0 million at year-end 2025 compared to 9.1 million at the end of 2024.

▶ ADIDAS-GROUP.COM/ADR

Ten-year share price development[1]



1 Index: December 31, 2015 = 100. Source: Bloomberg.

Performance of the adidas AG share and important indices at year-end 2025 in %

	1 year	3 years	5 years	10 years
adidas AG	(29)	33	(43)	88
DAX 40	23	76	79	128
EURO STOXX 50	18	53	63	77
MSCI World Textiles, Apparel and Luxury Goods Index	3	2	(5)	95

Source: Bloomberg.

adidas AG share

		2025	2024	Important indices
Number of shares outstanding at year-end[1]	shares	178,665,018	178,549,084	
Basic earnings per share[2]	€	7.46	4.24	
Diluted earnings per share[2]	€	7.46	4.24	
Year-end price	€	169.05	236.80	
Year high	€	263.10	244.50	
Year low	€	151.60	164.68	— DAX 40
Market capitalization[3]	€ in millions	30,429	42,280	— EURO STOXX 50
Dividend per share[4]	€	2.80	2.00	— MSCI World Textiles, Apparel and Luxury Goods
Dividend payout[3,4]	€ in millions	500	357	— MSCI World ESG Leaders Index
Dividend payout ratio[2,4]	%	36.3	43.3	— FTSE4Good Index Series
Dividend yield[4]	%	1.7	0.8	
Shareholders' equity per share[3]	€	32.33	30.67	
Price-earnings ratio at year-end[5]	x	22.7	55.9	
Average trading volume per trading day[6]	shares	540,179	449,120	

1 All shares carry full dividend rights, excluding treasury shares.
2 Based on net income from continuing operations.
3 Based on number of shares outstanding at year-end, excluding treasury shares.
4 Value for the reporting year subject to Annual General Meeting approval.
5 Based on basic EPS from continuing operations.
6 Based on number of shares traded on Xetra.

Dividend proposal and share buyback

The adidas AG Executive and Supervisory Boards will recommend paying a dividend of € 2.80 per dividend-entitled share to shareholders at the Annual General Meeting on May 7, 2026. This represents an increase of 40% compared to the prior year (2025: € 2.00). The proposal reflects the company's better-than-expected performance in 2025, its strong financial profile, and Management's confident outlook for the future. The dividend payout of € 500 million (2025: € 357 million) reflects a payout ratio of 36% of net income from continuing operations, within the target range as defined in our Financial Policy. Total cash returns to shareholders are expected to amount to up to € 1.5 billion in 2026 as the company, in addition to the dividend payout of € 500 million, plans to buy back shares worth up to € 1 billion this year. adidas intends to cancel the repurchased shares.

▶ ADIDAS-GROUP.COM/AGM ▶ ADIDAS-GROUP.COM/SHAREBUYBACK

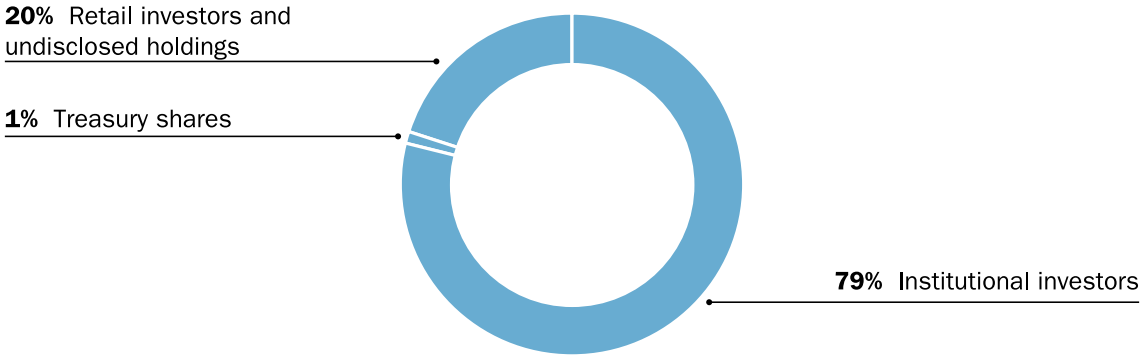
Dividend

€ 2.80 (subject to Annual General Meeting approval)

Strong international investor base

Based on our share register, adidas AG currently has more than 165,000 shareholders (2024: more than 136,000). The higher number of shareholders compared to the previous year was largely driven by an increase in the number of retail investors. In our latest ownership analysis conducted in December 2025, we identified almost 100% of our shares outstanding. Institutional investors represent the largest group, holding 79% of shares outstanding (2024: 80%). Retail investors and undisclosed holdings account for 20% (2024: 19%). adidas AG held 1% of the company's shares as treasury shares as of December 31, 2025 (2024: 1%).

Shareholder structure by investor group[1]

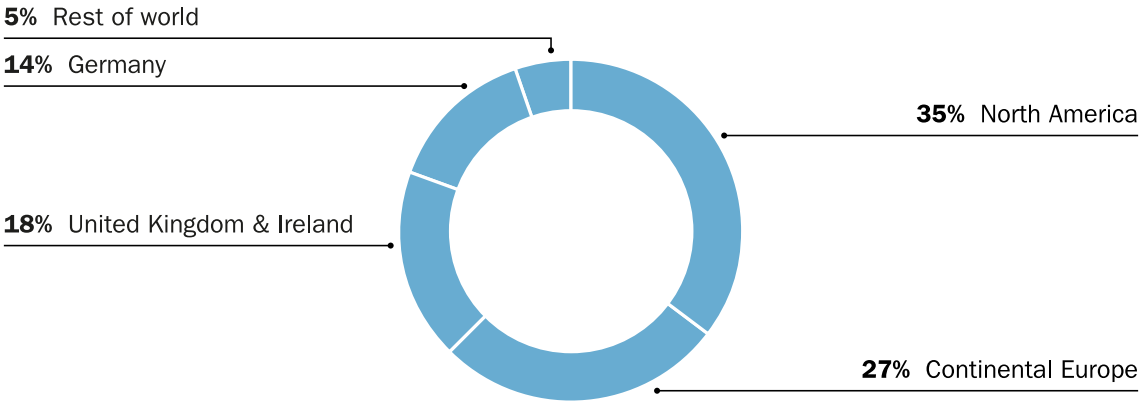


1 As of December 2025.

In terms of geographical distribution, the North American market currently accounts for 35% of institutional shareholdings (2024: 41%), followed by the United Kingdom and Ireland with 18% (2024: 18%). German investors represent 14% of institutional shareholdings (2024: 13%) and institutional investors from other

continental European countries account for 27% (2024: 23%), while 5% of institutional shareholders were identified in other regions of the world (2024: 5%).

Shareholder structure by region[1,2]

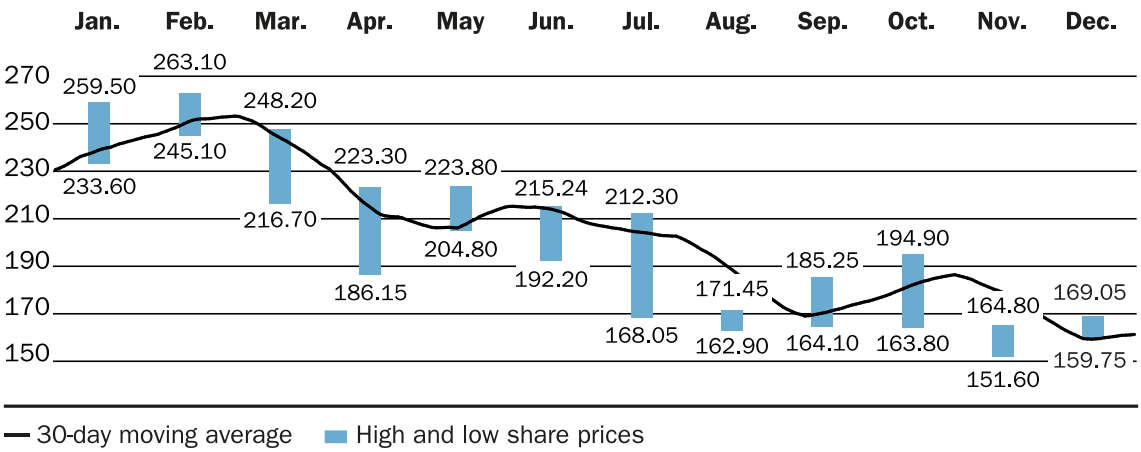


1 As of December 2025.
2 Reflects institutional investors only.

Majority of analysts have a positive view on our share

Our share is actively covered by 31 analysts from investment banks and brokerage firms. As of December 31, 2025, 81% of analysts recommended investors to 'buy' our share (2024: 63%), 19% of analysts advised investors to 'hold' our share (2024: 30%), and no analyst recommended to 'sell' our share (2024: 7%).

adidas AG high and low share prices per month[1] in €



1 Based on daily Xetra closing prices. Source: Bloomberg.

Frequent and meaningful touchpoints with capital market participants

adidas maintains a close dialogue with institutional and retail shareholders as well as financial analysts. We notify capital market participants of operational and financial developments of adidas in a timely and transparent manner. In addition, adidas Management and the Investor Relations team continually engage in conversations with existing and potential investors on a wide variety of topics, including financial results releases, operational progress and priorities, the current and future product pipeline, marketing initiatives, and our ongoing sustainability efforts.

In 2025, Management and Investor Relations spent more than 50 days on roadshows and at conferences across the world. We also hosted more than 100 investors and analysts at our headquarters as well as in our regional hubs, enabling them to interact with senior leaders, experience the atmosphere on site, explore our product showrooms, and take a tour of our rich archives. The Investor Relations team also engaged with retail shareholders at several dedicated events in 2025. In addition, the physical Annual General Meeting in May also allowed for many in-person interactions with the company's retail shareholder base. Investors can find in-depth information on our share, financial publications, and financial calendar on our corporate website.

▶ ADIDAS-GROUP.COM/INVESTORS

Voting rights notifications published

All voting rights notifications received in 2025 in accordance with §§ 33 et seq. of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) (§§ 21 et seq. German Securities Trading Act old version) are published on our corporate website. Information on reportable shareholdings that currently exceed or fall below a certain threshold can also be found in the Notes section of this Annual Report.

▶ ADIDAS-GROUP.COM/VOTING_RIGHTS_NOTIFICATIONS ▶ SEE NOTE 25

Managers' transactions reported on corporate website

Managers' transactions involving adidas AG shares (ISIN DE000A1EWWW0) or related financial instruments, as defined by Article 19 of the European Market Abuse Regulation (MAR), conducted by members of our Executive or Supervisory Boards, or by any person in close relationship with these persons, are reported on our corporate website.

▶ ADIDAS-GROUP.COM/MANAGERS-TRANSACTIONS



2

GROUP MANAGEMENT REPORT
OUR COMPANY

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Roadmap to Success

2025 was another successful year for adidas. The brand's growth broadened significantly across product divisions, categories, markets, and channels, and the company's profitability continued to improve strongly. Not only did we deliver results that exceeded our initial expectations despite a challenging external backdrop, we also made adidas a better company during 2025: We have continued to drive brand heat with an even stronger emphasis on locally relevant products and activations, further improved our product range and market-led go-to-market approach, strengthened partnerships with both our retail and brand partners, and simplified the way we work. With this, we laid the foundation for continued success in the years ahead.

We have continued to strengthen our brand and our business in several ways:

— **Global brand with a local mindset:** We need to be where our consumers are. With more local trends emerging, the need for local relevance continues to increase. Instead of a centrally defined one-size-fits-all approach, we have empowered our markets to create the product, storytelling, partnerships, and distribution they need to be successful. By providing our markets with decision-making autonomy, we can meet the expectations of our customers and the needs of our consumers around the world.

— **Speed and agility:** Fast-changing trends and consumer demands require flexibility and agility. We have empowered our market teams to accelerate decision-making and have begun to eliminate complicated processes to react quickly. We will continue to prioritize speed and agility to respond faster to the needs of our consumers and the feedback from our retail partners.

— **Healthy balance between channels:** We have transitioned from a narrow focus on our direct-to-consumer business to a service-oriented model toward our retail partners. By listening closely to their bottom-up feedback from the various markets and acting on it in a locally relevant way, we have proven our desire to be a trusted partner for them. And while wholesale is crucial for our future success, we continue to invest in our own retail and e-commerce presence, which is also tailored to specific market needs. It is all about maintaining a healthy balance between our channels to win with the consumer.

— **Brand heat:** We are proud to produce groundbreaking innovation in sports and some of the most sought-after product in Lifestyle, amplified by brand heat – and vice versa. Brand heat is the sum of everything we do. It comprises athletes, teams, celebrities, street culture, and more. With this in mind, we have entered and extended partnerships with some of the greatest teams and athletes in global sports like football, running, training, and basketball. At the same time, we have also welcomed countless local partners to our brand who are pushing boundaries in smaller sports, including winter sports, track and field, rugby, and tennis. And while we are equally proud of our cultural partnerships, we will remain deeply rooted in sport.

— **Brand message on the joy of sport:** To complement our strong product offering and drive brand heat holistically, we have created a new brand narrative – 'You Got This.' By putting the joy of sport and its power as a great unifier at the center, we want to counteract an atmosphere of pressure and stress, especially for our younger consumers. We will continue to activate this message globally – amplifying it through major sports events such as the upcoming FIFA World Cup 2026, together with many of our brand partners – and continue to evolve the narrative.

In addition, we have five foundational pillars that guide us:

— **People:** We believe that our people are the key to the company's success. We focus on creating a culture that strengthens their performance, well-being, and personal development. This will have a significant impact on brand heat, consumer and customer satisfaction, and, ultimately, our results.

— **Product:** Product is key. We innovate in materials, designs, and technologies to constantly bring exciting new products to the market. This allows us to be relevant to consumers across our markets, both in Performance and Lifestyle, and to keep growing our deep archive of sportswear icons.

— **Consumers:** Our consumers are at the heart of everything we do. We focus on what matters to them, creating the product they want, offering the service they expect, and providing the experience they need.

— **Retail partners:** We need to be the best service partner for retailers. Multi-branded environments reach consumers at scale, and we can leverage our strong product pipeline through broad distribution.

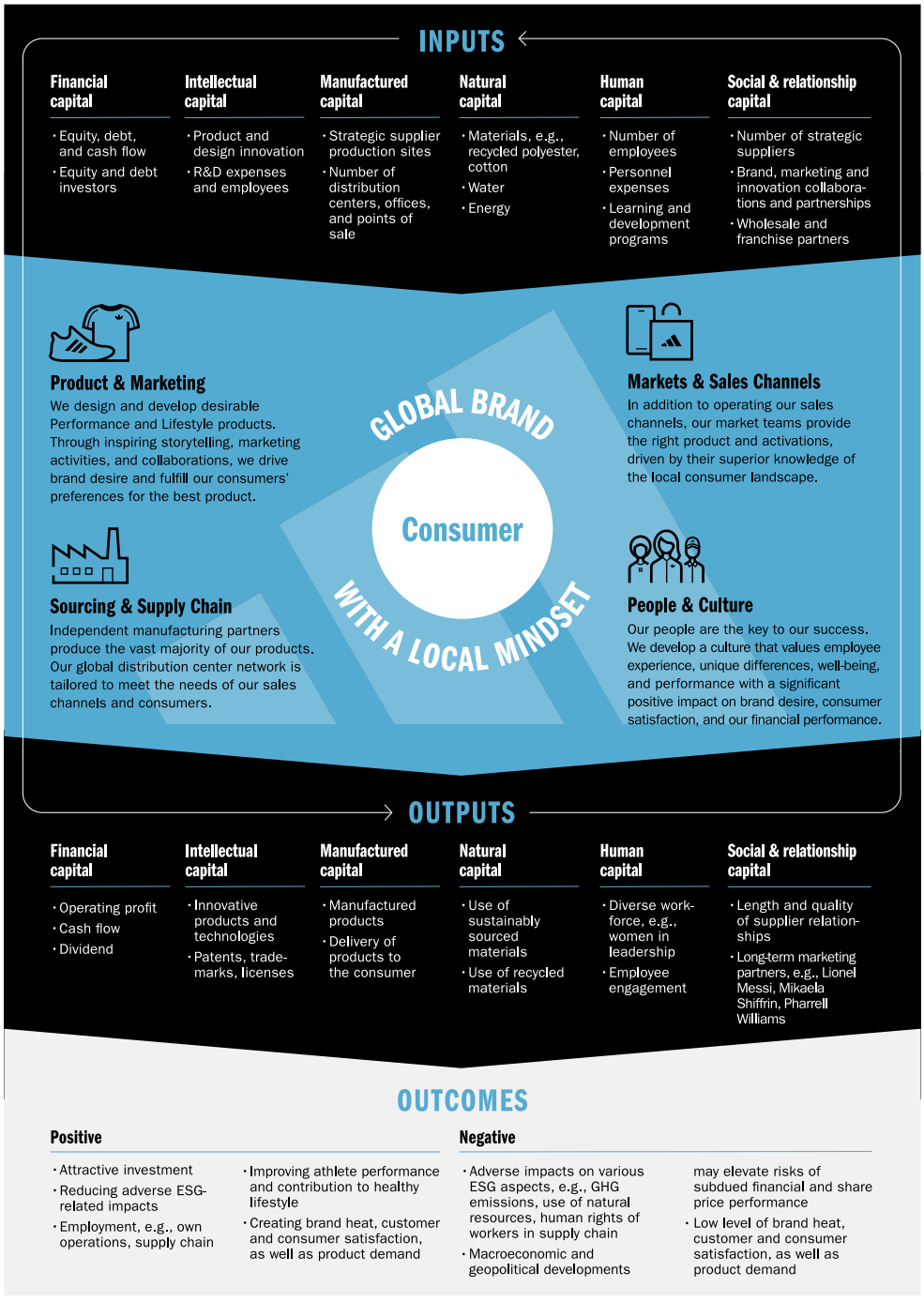
— **Athletes:** Whether the crowd watching is large or small, we are here for all athletes. For more than 75 years, we have been innovating for sports and striving to create only the best for the athlete. This is in our DNA and has shaped our rich heritage. It is where we come from and where we need to be.

Description of Business Model

Business Model Overview

Building on our purpose 'Through sport, we have the power to change lives,' the overview below outlines the major input and output factors as well as the outcomes of our business activities.[12]

▶ REPORT.ADIDAS-GROUP.COM



[12] The infographic and the following sections (Product and Marketing, Markets and Sales Channels, Sourcing and Supply Chain, and People and Culture) contain disclosures pursuant to ESRS 2, paragraphs 42a, 42b, 42c, and 48f.

Product and Marketing

Under the adidas brand, we have been designing, engineering, and marketing world-class sports products for more than 75 years. Through developing innovative products and telling inspiring stories across our markets, we create only the best for the athlete. By doing so, we continue to build brand equity as well as the trust of our consumers and partners, which in turn enables us to capitalize on attractive structural growth opportunities in the sporting goods industry.

The adidas brand

The adidas brand has a long history and deep-rooted connection with sport. We believe that through sport, we have the power to change lives. This is our purpose, and we live it every day by expanding the limits of human possibilities. To remain one of the most recognized and iconic brands in the world, on and off the field of play, we need to drive and maintain our credibility in sport. For us, the adidas brand, this means launching groundbreaking innovations to continuously deliver the best for the athlete, while also enabling a culture that is born from it. Being committed to inclusivity, we ensure that all athletes and consumers are considered and supported by our product assortment.

▶ SEE ESRS S4 – CONSUMERS AND END USERS

adidas is all about sports and the culture born from it

Product is at the core of everything we do. Our Performance products are built from sport and worn for sport, helping our athletes to perform at their best in a broad range of sports, represented by our famous 3-Bar logo. We serve all athletes, in the global sports football, running, basketball, and training, as well as in many locally relevant credibility sports, including golf, motorsport, tennis, trail running, winter sports, rugby, and cricket, among many others. On the Lifestyle side, adidas Originals is motivated by the collective memory of sports and represents brand classics as well as new visionary designs. The Trefoil – adidas Originals' iconic signifier – represents products that connect with culture, leveraging our archive and celebrating our partnerships. In addition, Sportswear is built as an expansion from the playing field to courtside. It is born from sport and worn for style. Sportswear offers our consumers everyday products that redefine comfort, versatility, and aesthetics.

3-BAR LOGO



TREFOIL



With a more than 75-year history of groundbreaking innovation in sports, we have built an enormously rich archive – the collective memory of our brand. Some memorable moments include:

— **1949:** 'Adolf Dassler adidas Sportschuhfabrik' is registered in the small town of Herzogenaurach, Germany, and founder Adi Dassler launches a sports shoe featuring the soon-to-become-famous 3-Stripes, marking the humble beginnings of a global success story.
— **1954:** adidas makes its mark on the football pitch, with innovative screw-in studs on lightweight football boots helping the German national football team beat Hungary in the 1954 World Cup final.
— **1967:** The iconic Franz Beckenbauer tracksuit celebrates its debut as the first piece of apparel from the brand. To this day, iterations of our tracksuits resonate with consumers around the globe.
— **1970:** After unlocking footwear and apparel, we deliver the Telstar as our first official match ball for the 1970 FIFA World Cup in Mexico. This marks the beginning of a successful strategic partnership, with the brand providing innovative official match balls for every FIFA World Cup ever since.
— **1972:** To enhance brand visibility, a new logo featuring three leaf-shaped foils is introduced: the Trefoil. In the same year, the Samba, as we know it today, launches as a fast-paced and agile football shoe, before later turning into a lifestyle icon.
— **1973:** A tennis shoe developed in the 1960s is rebranded in honor of one of the biggest sports stars of the time: Stan Smith. The silhouette is synonymous with timeless style and has become an everyday staple of modern footwear.
— **1986:** Initially designed for basketball, US-based hip-hop group Run-D.M.C. turn the Superstar shoe into a streetwear icon with the release of the song 'My Adidas.'
— **1994:** Marking the next chapter in our rich football history, the Predator boot is born. While the rippled rubber fins remain a distinctive feature, continued iterations ensure the franchise remains a go-to for the world's top players and amateurs alike.
— **2001:** adidas becomes the pioneer in the industry to introduce a new lifestyle segment, focusing on sports-inspired streetwear. In the years to come, new partnerships with Yohji Yamamoto (2001), Stella McCartney (2002), and Pharrell Williams (2014) are born along with exciting labels, such as Y-3 (2003).
— **2013:** Boost hits the market and the running industry is changed forever. With the Ultraboost franchise launch in 2015, the responsive cushioning technology is brought into an elegant silhouette, dissolving the boundaries between performance and lifestyle running.
— **2019:** Leveraging years of comprehensive research, we introduce a new sustainability concept called Futurecraft.Loop, a completely recyclable performance shoe. This marks another critical milestone in our ambition to continuously push industry-wide boundaries in terms of sustainability.
— **2022:** In collaboration with Gucci, we build on the incredible legacy of the Gazelle since 1966, resulting in one of our most sought-after releases. Featuring premium materials and a kaleidoscope of colors, and merging the iconic Trefoil and Gucci emblems, these 'Made in Italy' Gazelles firmly reestablish the silhouette around the world and kick off the global Terrace trend.
— **2023:** Continuing to provide only the best for the athlete, we unveil the Adizero Adios Pro Evo 1, our lightest-ever running shoe. Weighing in at 138 grams, the shoe is 40% lighter than any other shoe adidas has ever created and enables our athletes to set new personal bests and break multiple records.
— **2025:** adidas extends the Adizero legacy with the Adizero Prime X Evo, a concept shoe redefining long-distance running performance. Setting a new benchmark, the shoe helped our athlete, Sibusiso Kubheka, break the six-hour barrier for 100 kilometers during the Chasing 100 project in Nardò, Italy.

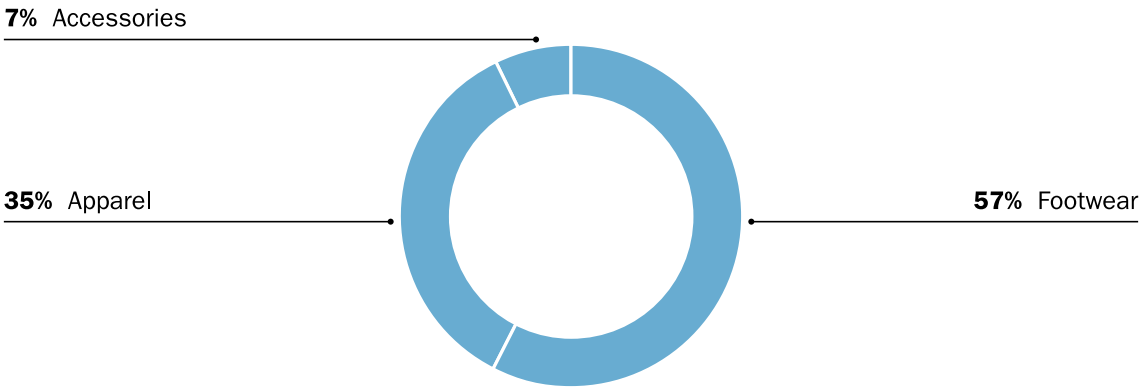
Product franchises as lighthouses for our brand

Within our wide and deep product range, product franchises are our most iconic symbols of sport and culture as well as the lighthouses of our brand. In Performance, globally recognized footwear franchises include Predator and F50 in Football, Adizero and Supernova in Running, Dropset in Training, Agravic and Free Hiker in Outdoor, Barricade in Tennis, and AE in Basketball. In the Lifestyle category, they include perennial footwear icons such as Samba, Gazelle, Handball Spezial, Superstar, Adistar, and Stan Smith.

Footwear is key to winning consumer mindshare. With our rich archive, access to fundamental athlete insights, and technological innovation, we have been pushing and continue to push boundaries in the athletic footwear industry. This is reflected in our category mix: In 2025, footwear had the highest share of net sales by product category at 57% (2024: 59%), followed by apparel at 35% (2024: 34%), and accessories at 7% (2024: 8%).

▶ SEE NOTE 36

Net sales share by product division



We leverage the footwear-led brand heat and expand it into our apparel and accessories business. On the apparel side, we aim to build and grow differentiated apparel collections such as the Firebird, Z.N.E., and adicolor ranges. In apparel, too, our franchises represent the very best of adidas, influencing not only sports, but also the culture born from it. Through uncompromised functionality, designs, colors, materials, and unique stories, they have the potential to be iterated over time to preserve desirability.

While our global product franchises serve as lighthouses for the adidas brand, we strive for additions and adaptations that reflect local consumer preferences across our markets. This approach ensures that iconic franchises remain central to our identity while enabling locally relevant product assortments.

Global brand with locally relevant product range

Brand desirability might look and feel different in different parts of the world. As a global brand with a local mindset, we therefore ensure that our product is tailored to local tastes and trends. While product franchises and our seasonal spring/summer and fall/winter ranges are developed on a global basis, we empower our markets to adapt the assortment and go-to-market to their local needs. Through dedicated local design, development, sourcing, and marketing resources, we enable our market teams to cater to the consumers in their respective market.

Besides the global creation engine at our headquarters in Herzogenaurach, we have invested in creation capabilities in Portland and Los Angeles for North America, in Shanghai for Greater China, and in Tokyo for Japan, among others. This setup enables us to leverage our archive and the strength of a global brand, while ensuring relevance for a broad array of local consumer preferences. In addition, we run 'creation at source' throughout our two largest sourcing countries, Vietnam and Indonesia.

▶ SEE MARKETS AND SALES CHANNELS

Product innovation and success stories

We have a long heritage of innovation and constantly strive to provide athletes with the best by creating high-performance and competitive products. Technology platforms such as Boost, Lightstrike, and Clima are proof points of our broader approach to innovation and act as enablers to define new successful athlete stories through best-in-class product execution. We collaborate with athletes and consumers, universities, innovative companies, governments, and research organizations to further understand performance requirements. Based on these insights, we invest in manufacturing techniques and new technologies with the aim of addressing the challenges athletes experience.

In the past year, we continued to serve all athletes with innovative technologies, materials, and more sustainable concepts built into our Performance products:

— **Adizero Adios Pro Evo 2:** In high-end performance running, we introduced the Adizero Adios Pro Evo 2, the shoe that won the Berlin, London, and New York marathons. Preserving the ultra-lightweight construction of the record-breaking Pro Evo 1 at just 138 grams, the Pro Evo 2 enhances energy return and traction to further elevate elite marathon performance.
— **Adizero Evo SL:** The Evo SL offers technological innovation and design elements from the Adizero Adios Pro Evo at the more affordable price point of € 150. With its clean look in addition to its performance credentials, the Evo SL was highlighted as 'shoe of the year' by several running publications. Throughout the year, additional colorways and packs – such as the US college collection – were launched in response to strong demand in the marketplace.
— **Supernova Rise 3:** The Supernova Rise 3 elevates the daily running experience. Reengineered with an optimized blend of soft and stable cushioning, it delivers a smoother ride and continues the franchise's comfort-driven proposition.
— **F50 Sparkfusion:** Built on the legacy of the iconic speed-focused F50 franchise, the F50 Sparkfusion delivers a fit engineered for the unique performance needs of female football players. Informed by years of anatomical research and athlete feedback, it sets a new benchmark for speed, precision, and agility.
— **Predator:** Many of football's greatest players trust the Predator, a boot crafted for goals. The latest iteration continues this success story, combining a lighter, more agile design with improved fit, stability, and striking precision – delivering powerful performance for the modern game.
— **FIFA World Cup 2026 Jerseys:** Each kit combines modern performance with timeless tradition, expressing national identity and honoring football's heritage. As the official supplier for more than 20 federations, adidas continues its legacy as a premier outfitter at the sport's most prestigious tournaments.
— **Third Jerseys:** Building on last year's successful reintroduction of Trefoil jerseys for our five major European clubs – Bayern Munich, Manchester United, Juventus Turin, Arsenal FC, and Real Madrid – we expanded the concept to a broader range of our clubs. These jerseys bring authentic club designs into streetwear and bridge into holistic football-inspired lifestyle collections, addressing a larger audience among fans.
— **Liverpool FC:** The launch of the adidas designed home and away jerseys marked the most successful kit introduction in the club's history. Since then, the collection has been expanded to include bespoke merchandise, such as Liverpool track tops and dresses, developed with strong involvement from the club and its fans.

— **AE2:** Designed for explosive players and building on AE1's momentum, the AE2 is driving strong engagement within the basketball segment and reinforcing our broader signature shoe roster, including the Harden, D.O.N., and Dame lines, as well as our overall Basketball offering.
— **Optime:** Our Optime leggings blend support, style, and freedom of movement. Engineered with advanced material constructs, the squat-proof leggings continue to offer all-day confidence and comfort inside and outside the gym.
— **Climacool Jacket:** Created to tackle one of motorsport's biggest challenges – keeping drivers cool before racing in extreme heat. The jacket combines a cooling agent, integrated fans, and insulative materials, delivering an increased cooling effect and helping improve focus and endurance.
— **Agravic Speed Ultra 2:** A shoe built for ultra-distance trail racing. With enhanced cushioning, comfort, and energy return, it keeps runners efficient and stable across the toughest terrain. Its clean design and 3-Stripe branding reflect adidas' running performance DNA, well-known from the Adizero running range.
— **Barricade:** With Barricade having over 25 years of presence on the court, the latest model incorporates updated materials and design features for modern tennis. It provides reliable traction and combines lightweight construction with stability to support speed and agility during play.

We also continued to create sports-inspired product stories that resonate with consumers in Lifestyle, leveraging our rich archive and roster of brand partners:

— **Adistar Jellyfish:** Winner of the 'Shoe of the Year' Footwear News Achievement Awards 2025, this sought-after collaboration with Pharrell Williams quickly became one of the most talked-about launches in lifestyle running. The special edition and its commercial version, the Adistar XLG Squid, resonate strongly with consumers.
— **Adistar Control 5:** Reviving an early 2000s running silhouette with open mesh, the Adistar Control 5 is designed for all-day comfort. Positioned as part of adidas' lifestyle running range, it combines a heritage-inspired design with functional features for everyday versatility.
— **Superstar:** We relaunched one of our most iconic shoes with new colorways, materials, and collaborations, including Edison Chen and Wales Bonner. Led by North America and Greater China, dedicated Superstar iterations are resonating well with a young, urban consumer group, strengthening the connection to local street culture.
— **Chinese Track Top:** This sought-after jacket, originally launched for the Chinese New Year 2026, demonstrates how localized innovation within a global framework is key to success. Combining traditional elements, such as a stand collar and duffle-style button closures, with signature elements of adidas' tracksuits, the jacket showcases the success of our local-for-local creation in Greater China.
— **adidas x Oasis:** adidas partnered with Oasis for their reunion tour, drawing inspiration from archival adidas pieces and the band's distinctive style. The collection combines design elements from the 1990s and early 2000s with contemporary streetwear influences. Generating exceptional visibility and consumer engagement, the launch also marked an impactful moment of brand presence around the tour.
— **Terrace:** We continued to drive newness and depth in our Terrace offering, consisting of Samba, Gazelle, and Handball Spezial. Striking new colorways and bold designs – such as animal prints and metallic finishes – keep the shoe family relevant as we carefully manage supply. Takedown versions of these iconic silhouettes, such as the VL Court, also strongly resonate with consumers.
— **Low Profile:** With established credentials in martial arts, boxing, and motorsports, Low Profile franchises, such as Taekwondo, Tokyo, and Japan, continued to expand. Collaborations with Edison Chen, Wales Bonner, and Bad Bunny on special editions, such as ballerina-inspired designs, highlight the range's versatility.
— **F50 Megaride:** Merging the technical precision of the F50 with the design influence of the Megaride, this silhouette combines football heritage with contemporary style. As part of adidas' lifestyle football offering, it reflects the growing influence of football culture in everyday footwear.

— **Teamgeist:** Originally introduced during the 2006 FIFA World Cup, the Teamgeist returned as a lifestyle apparel collection. By combining heritage design details with updated fits, it underscores football's growing influence in fashion and everyday culture beyond the pitch.
— **Climacool Laced Shoe:** By pushing the boundaries of design innovation, the Climacool shoe defies conventional norms with a unique lattice structure and is entirely 3D-printed using cutting-edge technology. The 360° airflow makes the shoe feel as if it is almost non-existent, a testament to our journey of innovation, design, and comfort toward creating the best lifestyle running product for our consumers.

Holistic approach to marketing investments

Our marketing activities – alongside product creation, innovation, and collaborations – are an important constituent for creating brand desirability and winning the consumer. adidas is focused on generating inspirational and innovative concepts that drive consumer advocacy, build brand equity, and drive demand for our products. With partner and brand marketing activities extending through digital platforms, advertising, point-of-sale, and grassroots activations, we create one powerful narrative. The ambition is to have a fully connected marketing funnel, from grabbing consumer attention to driving consideration when consumers are in the buying phase, down to conversion at the point of sale.

▶ SEE ESRS S4 – CONSUMERS AND END USERS

We are active across five dimensions with bespoke marketing objectives:

— **Brand campaigns:** create visibility and unaided awareness, and establish a brand point of view
— **Elevated franchises:** drive global desire and demand for our product franchises
— **Category activation:** strengthen sport and cultural credibility by sharpening category propositions
— **Horizontal brand stories:** ensure visibility and engagement for brand priorities across categories
— **Commercial conversion:** drive conversion at the point of sale, both in-store and online

Marketing plans anchored in our 'You Got This' brand campaign

From building brand awareness and brand heat all the way down to deliberate point-of-sale experiences, our brand marketing plans showcase a variety of activations at all levels of the marketing funnel, with our global brand campaign 'You Got This' being at the very center of it. You Got This was born from consumer insights. In conversations with our consumers, we repeatedly heard that pressure makes everything feel impossible and that sport stops being fun when negative pressure comes from all angles. The most vocalized point was the disconnect from sport due to the expectations of others.

In response, we crafted and adopted You Got This as our brand message to help people believe they can disarm negative pressure and engage with sport on their terms. Initially launched in 2024, the campaign evolved significantly in 2025, led by the 'Plus One' chapter. This chapter highlights the influence each of us has in uplifting others in sports – changing the game, tone, and outcome for someone else. It's about transforming self-doubt into self-belief and pressure into joy because we all need someone to make us believe. In 2025, the campaign featured Aitana Bonmatí, Alessia Russo, Anthony Edwards, Lamine Yamal, Trinity Rodman, and Aliyah Boston alongside countless other global and local brand partners. The campaign will continue to expand with additional chapters throughout 2026, leveraging major sports events such as the Olympic and Paralympic Winter Games and the FIFA World Cup 2026.

Impactful and effective marketing initiatives

2025 provided fantastic opportunities to showcase how our athletes harness their inner self-belief and confidence to overcome pressure during high-stakes moments in their respective disciplines. Accordingly, we launched several You Got This chapters around major sports events, with stories narrated by our athletes, as a reminder to all – from amateur to elite level – of how integral self-belief is. For us, being a global brand with a local mindset also means telling such stories in a locally relevant way. Our teams therefore created market-specific iterations of our brand campaign chapters and hosted additional events within local communities.

— **Superstar activation:** We reinforced the cultural relevance of the Superstar via several local activations throughout the year. In the US, the Hellstar x Superstar collaboration featured prominently at ComplexCon, the world's most relevant sneaker fair. In the UK, sold-out events featuring live performances drove strong engagement. In China, SuperstarCon, an event that took over an entire street block in Shanghai's city center, strengthened the Superstar's position as a style icon. Globally, the 'Superstar, The Original' campaign celebrated the silhouette's heritage, partnering with Samuel L. Jackson and Missy Elliott.
— **UEFA Women's EURO:** We amplified the success of our teams at the UEFA Women's EURO football tournament through You Got This campaign chapters: Stars including Aitana Bonmatí and Alessia Russo demonstrated that competitiveness and support can co-exist at all levels of the sport. Simultaneously, we drove elevated brand visibility with activations such as our Three Stripe Social Club in Zurich – a curated retail space that served as a meeting point for fans and consumers to connect and experience football culture.
— **Credibility sport events:** Multiple sport events provided platforms to showcase our commitment to locally relevant sports. In rugby, the Black Ferns continued to break barriers and inspire a new generation when they earned a podium spot at the Women's World Cup in England. In cricket, India's women's team claimed the ICC Women's T20 World Cup title for the first time while wearing adidas kits, highlighting our growing presence in one of the world's most followed sports.
— **Road to Records:** The fifth edition of Road to Records at our Herzogenaurach headquarters saw 120 elite athletes deliver standout performances: one world record, two under-20 world records, four continental records, and four national records. Beyond the elite races, 1,500 runners joined a public 5k race. Meanwhile, our adidas Runners community tracked more than 350,000 participants in the virtual race on the adidas Running app.

Brand partner portfolio rooted in sport

2025 was another fantastic year for sport. Many athletes were able to further improve their outstanding performances and inspire spectators all over the world. For others, it was the year in which they were able to shine on the big stage for the first time. As a sports brand, we are grateful for the trust these athletes place in us, and we will support them unconditionally throughout all stages of their journey.

We constantly strive to further extend our sizable roster of athletes and partners. The latest signings include, the Audi F1 Team, Liverpool FC, Eintracht Frankfurt, Club América, Fenerbahçe Istanbul, Penn State, the University of Tennessee, the German Basketball Federation (DBB), the South African Football Association, Ilona Maher, and Franz and Moritz Wagner, among others. In addition, we were able to extend our partnerships with the Argentine Football Federation, Walt Disney, Major League Soccer, ATHX Events, Patrick Mahomes, Anthony Edwards, Antoine Dupont, Alexander Zverev, David Beckham, Grace Wales Bonner, Edison Chen, and Olivia Dean, among others.

With this, we will continue to bring our products to the biggest stages in the world through partners such as:

— **Major teams, federations, leagues, and events:** National football teams of Algeria, Argentina, Belgium, Colombia, Costa Rica, Germany, Italy, Jamaica, Japan, Mexico, Peru, Saudi Arabia, South Africa, Spain, and Sweden. Top football clubs, such as Arsenal FC, A.S. Roma, Bayern Munich FC, Juventus Turin, Liverpool FC, Manchester United, and Real Madrid, as well as all the Major League Soccer (MLS) teams. Basketball and US sports: US-American universities such as the University of Kansas, Penn State, the University of Tennessee, Indiana University, and Texas Tech. Running: Ethiopian Athletics Federation (EAF) and French Athletics Federation (FFA), as well as the Berlin marathon and Boston marathon. Other sports: Mercedes-AMG PETRONAS F1 team, Audi F1 team, Indian cricket team, German Olympic Committee (Team D), British Olympic Association (Team GB), Dutch field hockey team, New Zealand All Blacks and Black Ferns, and China's national volleyball team.
— **High-profile athletes and individuals:** Football stars: Aitana Bonmatí, Alessia Russo, Florian Wirtz, Gianluigi Donnarumma, Jude Bellingham, Jule Brand, Kim Little, Lamine Yamal, Linda Caicedo, Lionel Messi, Mo Salah, Nick Woltemade, Ousmane Dembélé, Pedri, Selma Bacha, Son HeungMin, Trent Alexander-Arnold, Trinity Rodman, and Vicky López; Football legends such as Zinedine Zidane, David Beckham, Toni Kroos, and Jürgen Klopp. Track and field athletes: Anna Hall, Emmanuel Wanyonyi, Ethan Katzberg, Gina Lückenkemper, Gout Gout, Grant Holloway, Noah Lyles, Oblique Seville, and Shaunae Miller-Uibo. Marathon runners: Hawi Feysa, Sabastian Sawe, and Tigist Assefa; ultra marathon runner Ruth Croft as well as triathlete Patrick Lange. Basketball stars: Aliyah Boston, Anthony Edwards, Candace Parker, Chelsea Gray, Damian Lillard, Donovan Mitchell, Franz and Moritz Wagner, Jalen Williams, James Harden, Kaleena Smith, Satou Sabally, and Sophie Cunningham. American football players: Patrick Mahomes, Travis Hunter, Garrett Wilson, and Micah Parsons. Rugby players: Ilona Maher, Siya Kolisi, Malcolm Marx, and Antoine Dupont. Tennis players: Alexander Zverev, Elina Svitolina-Monfils, Félix Auger-Aliassime, Ivan Ivanov, Jeline Vandromme, and Jessica Pegula. Alpine skier Mikaela Shiffrin, Alice Robinson, and snowboarder Su Yiming. Golfers: Ludvig Åberg, Linn Grant, Collin Morikawa, Nick Dunlap, and Rose Zhang.
— **Cultural marketing partners:** Oasis, Bad Bunny, Bizarrap, Edison Chen, Grace Wales Bonner, Hellstar, Pharrell Williams, Willy Chavarria, Hoyeon Jung, Tate McRae, Pusha T, Caroline Daur, Samuel L. Jackson, and Missy Elliott.

Markets and Sales Channels

We are a global brand with a local mindset. In addition to operating our sales channels, our market teams are empowered to decide about product assortments, activations, and partnerships, driven by their superior knowledge of the local consumer landscape. The majority of our consumers buy our products at the point of sale of our wholesale partners. We ensure that we are a collaborative and trusted partner for them. Moreover, we engage directly with our consumers through own retail stores and our e-commerce platforms.

Local empowerment

We empower our markets to choose their offering from our global product range, create product locally to complement our global range, work with relevant brand partners, and establish the business models they need to be successful. By doing so, we ensure proximity to emerging trends, take into account unique cultural differences, and reduce our time to market. While our headquarters organization in Herzogenaurach, Germany, provides the global framework for how our brand comes to life, our market organizations ensure local relevance. In this context, our home market Europe is managed out of Herzogenaurach, North America out of Portland, and Greater China out of Shanghai. We run Emerging Markets from Dubai, Latin America from Panama City, and Japan/South Korea from Tokyo and Seoul. Several of these regional hubs operate creation centers that develop products that are tailored to local consumer needs and complement our global range. These centers include Portland, Los Angeles, Shanghai, and Tokyo, as well as various locations in Latin America and India. In addition, we run ‘creation at source’ throughout our two largest sourcing countries, Vietnam and Indonesia. Here, product developers work on site at our manufacturing partners’ facilities, allowing for an even closer integration between design and production and accelerating speed to market.

▶ SEE PRODUCT AND MARKETING

Regional headquarters and creation centers

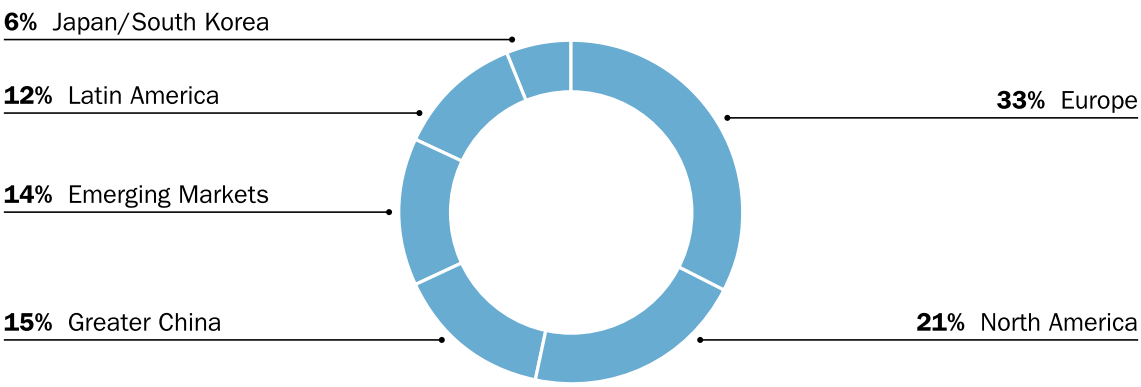


Global reach

From a net sales perspective, we have a diversified global footprint. In 2025, Europe – our home market – had the highest share of business at 33% (2024: 32%), followed by North America at 21% (2024: 22%), and Greater China at 15% (2024: 15%). Emerging Markets represented 14% (2024: 14%), complemented by Latin America at 12% (2024: 12%) and Japan/South Korea at 6% (2024: 6%).[13]

▶ SEE BUSINESS PERFORMANCE BY SEGMENT

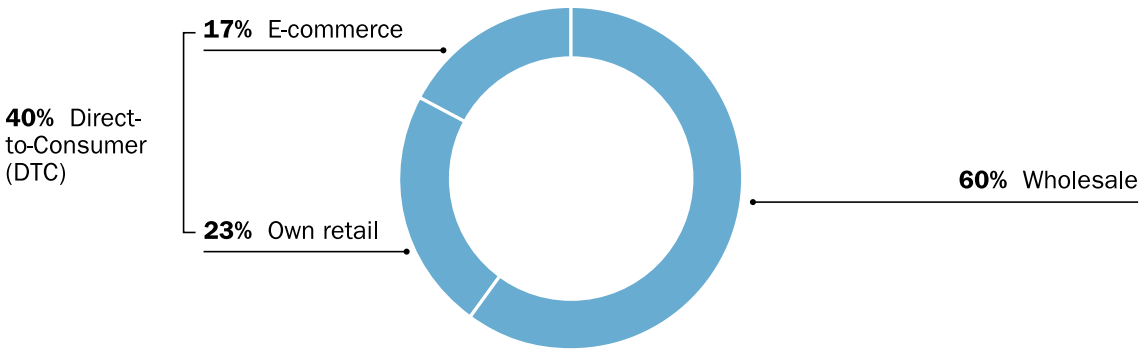
Net sales share by market



Sales channels

Our guiding principle is to meet our consumers where they are. Given the strong relevance of multi-brand distribution in several markets and categories globally, wholesale remained our largest channel, accounting for 60% of total net sales in 2025 (2024: 60%). The share of direct-to-consumer (DTC) business, consisting of own retail and e-commerce sales, was 40% in 2025 (2024: 40%).

Net sales share by channel



[13] Disclosure pursuant to ESRS 2, paragraph 40a ii.

Wholesale

We focus on being a trusted service partner to our retail partners, both offline and online. Through speed, flexibility, strategic foresight, and the right attitude, we successfully navigate dynamic market environments, tailoring assortments for key accounts and enhancing in-store presentation. At the same time, we are closely managing demand and vigilantly tracking customer sell-out and inventory levels.

We continue to invest in future growth with our partners through branded space initiatives and customer-exclusive products that have a positive impact on our business. In addition, we are building on the positive feedback and strengthening the direct dialogue with our partners through dedicated partner camps. These include immersive showroom visits at our hubs around the world as well as events such as the FIFA World Cup 2026 sell-in meeting, where we hosted over 400 leaders from 170 partners at the SoFi Stadium in Los Angeles. We unlock additional sales opportunities by sharing and scaling these best practices across all of our markets.

Own retail

Our own retail stores allow our consumers to directly interact with our brand, product, teams, and communities. They can touch and try on our products, feel inspired by our stories, and experience what we stand for as a brand. We continued to invest into a premium physical brand presence with digital elements and an environment that satisfies a wide variety of our consumers' needs in strategic locations.

In 2025, the total number of stores was 2,022 (2024: 1,933), comprising 886 concept stores (2024: 838) and 1,136 factory outlets (2024: 1,095). Our fleet of concept stores – including flagship stores, brand centers, and concession corners – focuses on offering premium experiences, while factory outlet stores are targeted at the value-seeking consumer.

We continued to strengthen our presence in strategic locations through additional store openings, remodels, and concept upgrades during 2025. For example, we opened one of our largest global flagship stores in Las Vegas, building on our momentum in North America and expanding our footprint ahead of the upcoming FIFA World Cup 2026. We also reopened our Manchester flagship store just in time for the launch of the successful Oasis collection. In Asia, we opened new Originals flagship stores in culturally relevant neighborhoods in Seoul and Shanghai that display many locally exclusive products. Our store fleet is complemented by pop-ups that create visibility around locally relevant moments in sports and culture. Examples include our Superstar, Formula 1, and Club World Cup pop-ups, as well as market-led brand exhibitions that support our product releases. We will keep investing in our physical retail fleet, as it represents an essential part of building our brand.

E-commerce

Over the past two years, we have redefined the role of e-commerce within our sales channel mix and successfully focused on improving full-price sales and reducing promotional activity. Our adiClub membership program continues to deliver unique experiences, including raffles, 'money-can't-buy' products, vouchers, and partner offers. Members can use accumulated points across all digital and retail touchpoints, creating a seamless consumer experience. Our award-winning running app keeps millions of consumers active, motivates them by earning adiClub points, provides personalized fitness plans, and brings global brand moments to life. The 'Confirmed' app – our digital boutique and premium touchpoint for sneakerheads, streetwear, fashion, and style enthusiasts – continued to thrive through collaborations with high-fashion brands and pioneers such as Wales Bonner, Bad Bunny, Pharrell Williams, BAPE, and Edison Chen. Through these initiatives, the adidas app delivers coveted and premium products to our consumers, offering best-in-class experiences, and further solidifies our status as a trendsetter in the global lifestyle world.

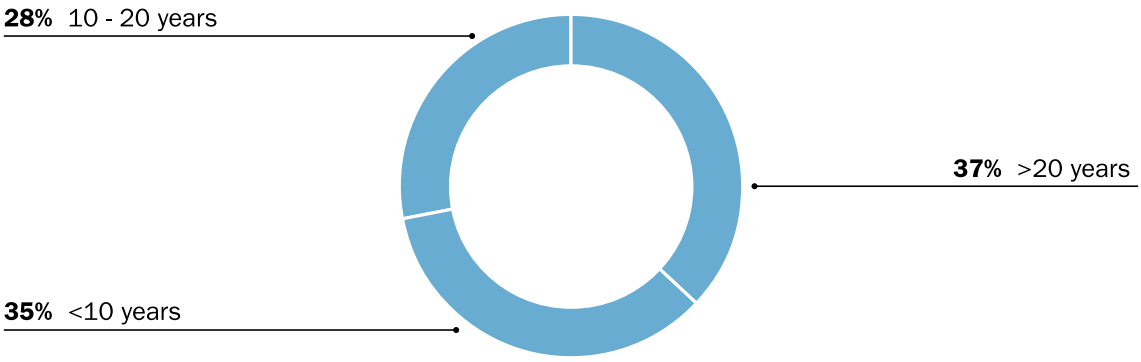
Sourcing and Supply Chain

To ensure high standards in product quality and efficiency, we mainly source our products through independent manufacturing partners located in Asia. In addition, to maximize responsiveness, we follow a local-for-local sourcing approach, wherever reasonable. We acknowledge adverse social and environmental impacts within our supply chain and drive actions to mitigate and reduce those impacts. With the consumer in mind, we aim to support our markets in having the right product available at the right point of sale at the right point in time.

Long-term relationships with independent manufacturing partners

To ensure high standards in product quality and efficiency, we outsource almost 100% of our production to independent manufacturing partners with the vast majority located in Asia. Strong capabilities around materials and processes have been built up in close collaboration with our strategic suppliers in this region over several decades. While we provide them with detailed product specifications that cover technical and sustainability dimensions, they possess excellent expertise in cost-efficient, high-volume production of footwear, apparel, and accessories. By valuing long-term relationships, we can ensure that this expertise continues to grow: 65% of our independent manufacturing partners have worked with adidas for at least ten years, and 37% for over 20 years.

Length of relationship with independent manufacturing partners



Local-for-local sourcing for maximum responsiveness and flexibility

With our responsive and flexible sourcing model, we are able to react quickly to changing order patterns. In close collaboration with our wholesale partners, we are continuously assessing sell-through and can replenish product that is particularly sought-after during the season. This helps us to effectively reduce inventory risk and drive incremental net sales and higher margins by reducing initial order sizes.

We have continued to increase our local-for-local sourcing in several markets such as Greater China, India, Brazil, and Argentina. For example, we have set up an operating model in Greater China that enables end-to-end lead-time reduction for articles requiring higher in-season responsiveness. We have improved market order efficiency and now produce the vast majority of product for the local market in Greater China.

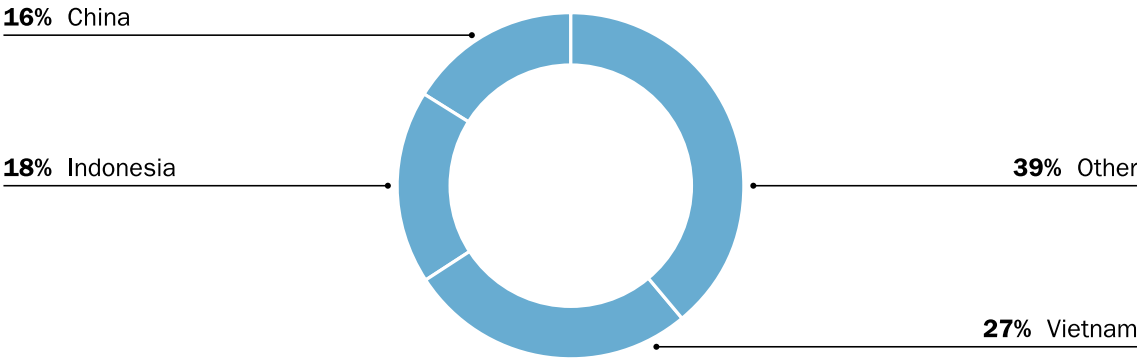
In addition to ensuring higher responsiveness, we constantly monitor the political and regulatory environment across the globe and proactively adjust the flow of goods to protect both availability and profitability.

Vietnam as main sourcing country

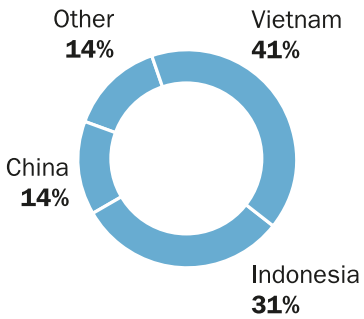
In 2025, Vietnam remained the largest sourcing country, accounting for 27% of adidas' total volume (2024: 27%), followed by Indonesia at 18% (2024: 19%) and China at 16% (2024: 16%). Overall, 92% of our total 2025 volume was produced in Asia (2024: 92%). Our largest factory produced approximately 6% of the total sourcing volume (2024: 5%).

Share of sourcing volumes by product category and country

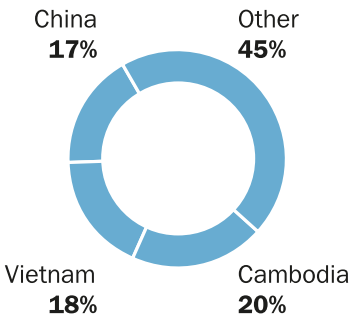
Total



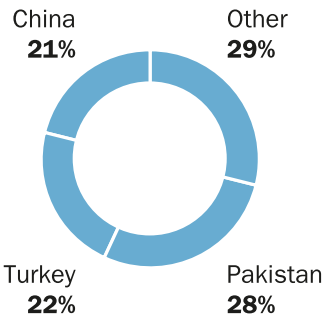
Footwear



Apparel



Accessories



Reduction of adverse impacts throughout our supply chain

Greenhouse gas emissions from manufacturing are a major contributor to our CO_2e emissions. To address this, we work with our suppliers to set decarbonization targets, including, but not limited to, increasing the use of renewable energy sources, scaling the use of low-carbon materials, and demonstrating progress toward targets that are aligned with the Science Based Target initiative (SBTi). Suppliers' progress on decarbonization is considered as part of our broader evaluation of key suppliers' performance. We also expect our suppliers to improve water efficiency at Tier 2 factories and to use chemical formulations that achieve the highest conformance level with ZDHC Manufacturing Restricted Substances List (ZDHC MRSL) standards. By mapping and addressing deforestation risks, we manage the impact of our supply chain on biodiversity.

To ensure that we focus on both environmental topics and the interests of the workers in our supply chain, we have established the Human Rights and Environmental Due Diligence (HREDD) framework. This guides internal risk assessment and risk management processes in accordance with the United Nations (UN) Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises and is in line with applicable laws and regulations, including the German Supply Chain Due Diligence Act.

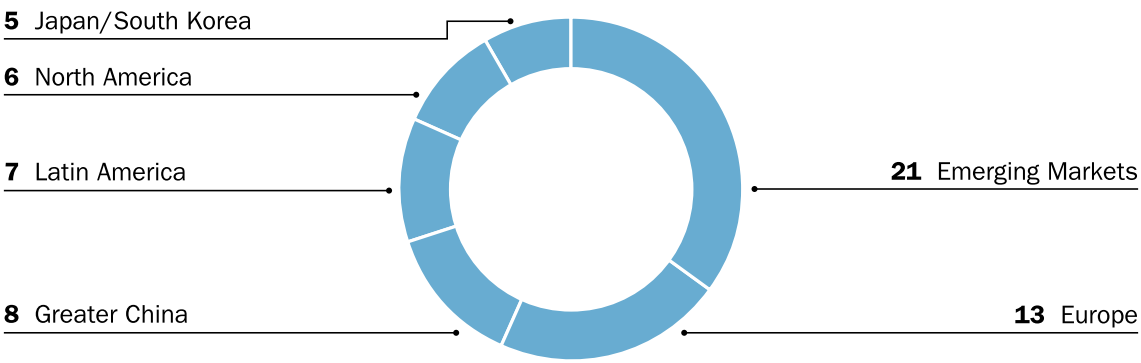
▶ SEE SUSTAINABILITY STATEMENT

Serving consumers and partners through global distribution center network

After production, our products are shipped primarily by sea to our global distribution network of 60 (2024: 60) distribution centers, 21 (2024: 21) of which are company-owned and 39 (2024: 39) of which are managed by logistics partners. These centers are strategically located across the globe. To enhance product availability, around half of the centers serve all channels, while the other half are tailored to specific channels or services. This setup ensures that our products are available when and where the consumer wants them.

▶ SEE MARKETS AND SALES CHANNELS

Distribution centers by region



People and Culture

We believe that our people are the key to the company's success. Their performance, well-being, and personal development have a significant impact on brand reputation, consumer satisfaction, and, ultimately, our financial performance.

Our goal is to develop a culture that values our employees' experience, unique differences, well-being, and performance. To support this aim, we rely on our six values – Courage, Ownership, Innovation, Team Play, Respect, and Integrity – across our people policies and processes, including how we hire, develop, promote, and evaluate performance. These values underpin our culture and are the essence of our identity. They underscore the behaviors and mindsets we value in our colleagues, represent the attitude we want to see in each other, and help us achieve top performance.

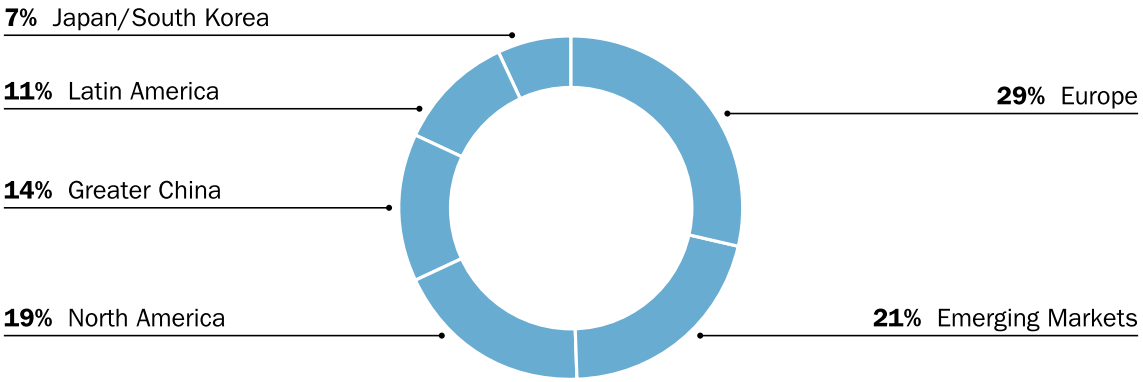
Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions and supporting freedom of association and the right to collective bargaining are material for us. This includes ensuring secure employment, promoting a healthy work-life balance with flexible and fair working time, enhancing employee engagement and development, creating an inclusive workplace for all employees that leverages everyone's talent, and providing competitive and adequate wages. These factors are crucial for attracting and retaining top talent, which in turn guarantees high product quality and the ability to meet consumer demands.

▶ SEE ESRS S1 – OWN WORKFORCE

Employees worldwide

64,938

Employee share by region[1]



1 At year-end.

Our continued focus on our people can be further explained by our priorities around creating an equal playing field for all, leadership, and performance. These pillars seek to focus our efforts on people and culture by:

— **Creating a level playing field for everyone**: Inclusion means valuing and leveraging the differences of our talents, consumers, and partners, while ensuring they are treated fairly and respectfully to enhance performance and unleash creativity. By creating a level playing field for everyone, we ensure that every individual has an equal opportunity to thrive and unleash high performance. By recruiting talent with diverse backgrounds and fostering a welcoming environment, we create a workplace where everyone commits and contributes at their full potential.

> **Women in leadership positions**
>
> **41%**

— **Attracting, developing, and retaining key talent**: adidas continues to be recognized as an employer of choice, consistently earning top positions in leading global rankings. We maintained strong placements in Forbes' World's Best Employers and Universum's Most Attractive Employers lists. Additionally, adidas ranked among the top 20 companies in Forbes' Global Top Companies for Women, and for the second consecutive year, adidas achieved the number one ranking in Stern Magazine's category 'Clothing, Shoes, Sporting Goods.' Beyond these achievements, adidas was honored with the RippleMatch Campus Forward Award for excellence in recruitment strategies, underscoring our commitment to attracting and developing top talent.

— **Building role-model leaders who empower people**: Our development offerings focus on growing leadership behaviors and the essential skills needed to ensure our continued success, across all different seniorities. In addition, our leaders receive inclusive leadership training through our 'Leading with Inclusion' program. Our ambition is to inspire and nurture talented leaders from our diverse markets who exemplify our leadership behaviors in their day-to-day work. Through our leadership framework, we aim to establish a language that can support our people in embedding these behaviors in all moments and hold each other accountable to the highest standards. We undertake different initiatives to elevate and enhance our leadership pipeline.

— **Creating a premier employee experience**: Ensuring a positive and impactful employee experience is a key focus for us. We do this through listening to feedback from our employees, offering opportunities for flexibility, and focusing on well-being. To support a healthy lifestyle and mental well-being, our employees have access to a wide range of sports activities, events, and facilities. We have corporate gyms at many locations worldwide, including Herzogenaurach, Portland, Gurgaon, Shanghai, Dubai, and Manchester. Many of our office buildings have lockers and showers, allowing employees to include sports in their working day or cycle to work. To meet employee needs in a hybrid work setup, programs are both local and virtual to support teamwork and a healthy lifestyle. Offerings include hybrid sports classes, medical and psychosocial consultations (in-person and virtual), tools for digital disconnection, and carefully curated sessions on life topics.

— **Instilling a mindset of continuous learning**: We continue to promote a high-performance culture by developing our employees and rewarding performance. We offer a wide range of learning and development opportunities, including online learning resources and interactive learning experiences that provide personal and professional growth opportunities for our workforce. Our investments in digital learning and development opportunities offer equitable access to learning content and just-in-time upskilling or reskilling.

— **Recognizing and rewarding both individual and team performance**: The key focus of our rewards approach is to attract, retain, and motivate individuals through remuneration and benefits that are inclusive, fit for purpose, and competitive in the marketplace – thus enabling us to achieve our strategic objectives. To promote a high-performance culture, it is essential that we focus on performance management to ensure fair and equitable reward and recognition.



3

GROUP MANAGEMENT REPORT
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Internal Management System

We are committed to significant value creation – for our company and all its stakeholders. We strive to create value by converting sales and profit growth into strong operating cash flow, while at the same time proactively managing our asset base. Our company's planning and controlling system is therefore designed to provide a variety of tools to assess our current performance and to align future decisions to best utilize commercial and organizational opportunities.

Internal management system designed to drive shareholder value

In order to drive and steer value creation, Management focuses on a set of major financial key performance indicators (KPIs). Sales and operating profit growth, paired with a focus on the management of operating working capital, are the main contributors to operating cash flow improvements. At the same time, capital expenditure and working capital investments benefit future operating profit and cash flow development. Our strong focus on value creation is reflected in Management's short- and long-term variable compensation components, which are closely linked to the company's growth in sales and profitability.

▶ ADIDAS-GROUP.COM/COMPENSATION

Net sales and operating profit growth

Net sales growth is a reflection of the attractiveness of our product offering driven by innovation and our ability to create, identify, and respond to the latest consumer trends. To ensure that we have the most relevant information to assess our respective performance, we exclude foreign currency effects and use currency-neutral net sales growth as one of our major KPIs.

Operating profit as another major KPI helps to drive and improve our company's operational performance. The primary drivers to enhance operating profit are as follows:

— **Sales and gross margin development:** Management focuses on identifying and exploiting growth opportunities that not only provide for future top-line improvements but also have the potential to increase our gross margin. Major levers include reducing promotional activity, driving full-price sales, and managing product and supply chain costs.

— **Operating expense control:** Management puts an emphasis on ensuring efficiency and flexibility in the company's cost base, especially in marketing and operating overhead expenses. Marketing expenditure is one of our largest operating expenses and, at the same time, one of the most important mechanisms for driving brand desirability and growth. Therefore, we are committed to investing into our brand and products as well as ensuring the effectiveness and efficiency of our marketing activities. We also aim to improve our operational efficiency by actively managing our operating overhead expenses. In addition to leveraging our top-line growth, we regularly review our organizational set-up to reduce complexity.

Cash flow and operating working capital management

Actively managing our liquidity, cash flow, and operating working capital remains a focus for us and continues to be monitored closely by Management. In general, due to a comparatively low level of fixed assets required in our business, the efficiency of the balance sheet depends to a large degree on our operating working capital management. Operating working capital is composed of accounts receivable plus inventories minus accounts payable.

▶ SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

In this context, the major KPI we use is average operating working capital as a percentage of net sales. Monitoring the development of this metric facilitates the measurement of our progress in improving the efficiency of our business cycle. We strive to proactively manage our inventory levels to meet demand in our markets, ensure fast replenishment, and reduce promotional activity. Inventory aging is controlled carefully to reduce inventory obsolescence and to minimize clearance activities. To optimize capital tied up in accounts receivable and accounts payable, we focus on managing collection efforts and payment terms.

Capital expenditure targeted to maximize future returns

Improving the effectiveness of capital expenditure is another major lever to drive our cash flow generation. We control capital expenditure with a top-down, bottom-up approach. In the first step, Management defines an overall budget based on investment requests from our markets and functions. In the second step, our operating segments align their initiatives within the scope of available budget. We evaluate potential return on planned investments utilizing the net present value method. Risk is accounted for by adding a risk premium to the cost of capital. By means of scenario planning, the sensitivity of investment returns is tested against changes in initial assumptions. For large investment projects, timelines and deviations versus budget are monitored on a monthly basis, and learnings are documented for future capital expenditure decisions.

Other key performance indicators

In addition to the major financial KPIs, which assess the performance and operational success of our company, as outlined above, we have also identified a set of KPIs that help us track our progress in other areas we deem important for success. These KPIs are assessed on a regular basis and include, among others, employee engagement, the share of female leadership, and carbon intensity per product.

▶ SEE SUSTAINABILITY STATEMENT ▶ SEE MANAGEMENT ASSESSMENT OF PERFORMANCE, RISKS AND OPPORTUNITIES, AND OUTLOOK
▶ SEE ADIDAS-GROUP.COM/COMPENSATION

Structured performance measurement system

We have developed an extensive performance measurement system that uses a variety of tools to measure the company's performance. KPIs and other important financial metrics are regularly monitored and compared against initial targets as well as rolling forecasts. When negative deviations exist between actual and target numbers, we perform a detailed analysis to identify and address the cause. If necessary, action plans are implemented to optimize the development of our operating performance. To assess current sales and profitability development, Management continuously analyzes the performance of our operating segments. We also benchmark our financial results with those of our major competitors on a regular basis. Taking into account the year-to-date performance as well as opportunities and risks, the company's financial performance is assessed regularly. Finally, as an early indicator of future performance, the results of any relevant market or consumer research are assessed as available.

Business Performance

In 2025, adidas recorded better-than-expected results despite macroeconomic challenges and elevated uncertainty. adidas brand revenues increased 13% for the second consecutive year on a currency-neutral basis. The growth was broad-based, driven by double-digit increases in all markets and channels. In euro terms, revenues reached a record level of € 24,811 million, despite a negative currency translation impact of more than € 1 billion. The company's gross margin improved 0.8 percentage points to 51.6%, while operating profit increased by 54%, or more than € 700 million, to € 2,056 million.

Economic and sector development

Global economy faced heightened uncertainty in 2025[14]

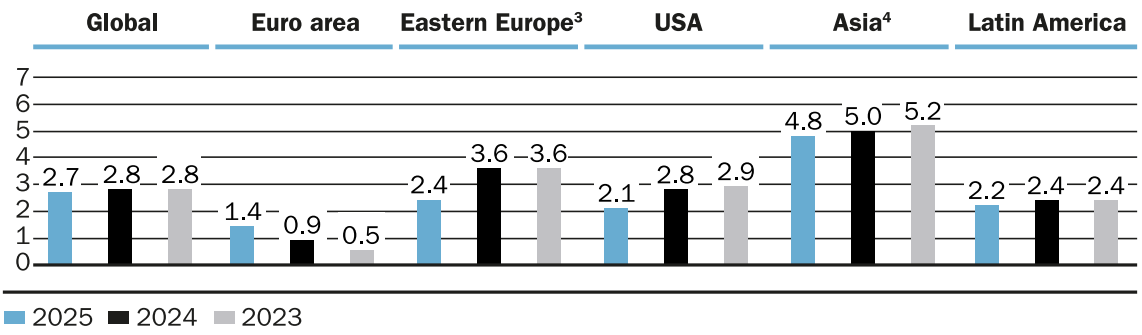
The global economy encountered renewed challenges in 2025, reversing earlier signs of stabilization as uncertainty persisted throughout the year. Tariff-related developments and escalating geopolitical tensions weighed on global trade and investment, disrupting economic activity across regions. These factors also increased market and exchange rate volatility. Consumer sentiment remained cautious, reflecting concerns over economic resilience and purchasing power amid cooling labor markets and moderating wage growth. Against this backdrop, global gross domestic product (GDP) increased by 2.7% in 2025. Growth in advanced economies settled at 1.7%, although consumer spending remained subdued. Developing economies grew by 4.2%, demonstrating agile export activity despite ongoing trade disputes. Globally, risks associated with heightened political uncertainty and adverse trade policy shifts, a resurgence of inflation, further geopolitical tensions, as well as supply chain disruptions remain elevated.

Sporting goods industry navigated complex environment in 2025

In 2025, the global sporting goods industry faced a highly volatile environment shaped by rising macroeconomic pressures and persistent geopolitical uncertainty. US tariff hikes on imports from Asian manufacturing hubs caused significant cost pressures, prompting companies to implement mitigation measures, including price increases, with eventual effects on consumer behavior still being uncertain. Despite these challenges, the sector continued to benefit from strong structural trends, including increasing sports participation rates as well as growing health and fitness awareness, ongoing popularity of athletic as well as sport-inspired products for everyday use, and growing demand for comfort propositions. These trends continue to make the global sporting goods industry fundamentally attractive over the long term. In the near term, however, risks including unresolved trade disputes, weaker consumer spending, and geopolitical tensions, remain elevated. These conditions make proximity to end-markets and agility in responding to shifting external factors essential for success.

[14] Source: World Bank Global Economic Prospects.

Regional GDP development[1,2] in %



1 Real change in percent versus prior year. 2024 and 2023 figures restated compared to prior year.
2 Source: World Bank as of December 16, 2025.
3 Includes Emerging Europe and Central Asia.
4 Includes East Asia and Pacific.

Income Statement

Record revenues driven by 13% currency-neutral growth for the adidas brand

In 2025, currency-neutral revenues for the adidas brand increased 13% for the second consecutive year. This increase was driven by double-digit growth in all markets and channels, as growth expanded meaningfully across categories and sports, enabled by both global and local product creation and activation. Having completed the sale of the remaining Yeezy inventory in 2024, the company's results for 2025 do not include any Yeezy revenues (2024: around € 650 million). Including Yeezy sales in the prior year, currency-neutral revenues increased 10%. In euro terms, revenues increased 5% to a record level of € 24,811 million in 2025 (2024: € 23,683 million), despite an unfavorable translation impact of more than € 1 billion due to the strengthening of the euro against several currencies.

Net sales

+13% Brand adidas c.n.

€ 24,811 million

Net sales € in millions



Double-digit growth in both footwear and apparel

Footwear revenues for the adidas brand grew 12% on a currency-neutral basis in 2025. The broader and deeper product offering drove double-digit footwear growth across many categories, including Running, Training, Performance Basketball, and Sportswear. Strong growth in Originals also contributed to the increase in footwear. Apparel sales grew 15% during the year as brand and product momentum continued to expand as planned. Differentiated and locally relevant apparel collections fueled double-digit increases in major categories like Football, Running, Training, and Originals. Accessories grew 6% versus the prior year.

Double-digit increases across categories and sports

On a currency-neutral basis, Performance revenues increased 15% during 2025 as the brand's breadth of growth continued to expand significantly. In Running, growth accelerated sequentially throughout the year to more than 30%, driven by the record-breaking Adizero footwear family. Adios Pro Evo 2 and Adios Pro 4 models secured multiple major marathon wins, while the Prime X Evo concept shoe enabled a new world record in the 100 kilometers. The award-winning Evo SL, making Adizero accessible at a compelling price point, also contributed to increases across the brand's running footwear business. In addition, everyday running propositions, such as Supernova, continued to grow strongly alongside matching performance apparel. In Football, new color packs and performance upgrades for the brand's iconic franchises Predator and F50 drove increases in footwear, while apparel growth was fueled by new season on-pitch kits and culturally inspired collections for the brand's major clubs as well as the launch of FIFA World Cup 2026 home kits. Double-digit growth in Training was underpinned by the brand's revamped head-to-toe offerings, including the Dropset and Rapidmove franchises in footwear and the Optime, Essentials, and Power collections in apparel. Several other categories, including Outdoor, Specialist Sports, Performance Basketball, and Motorsport also contributed to the broad-based growth in Performance, on the back of product innovation and newness that resonated strongly with consumers.

Lifestyle revenues for the adidas brand increased 12% during 2025, driven by double-digit growth in both Originals and Sportswear. Demand for the brand's popular Terrace and retro running offering remained strong and healthy in response to refreshed colorways, new materials, and collaborations tailored to local consumer preferences. The brand's Low Profile silhouettes also continued to expand, driven by updated looks for the Tokyo, Japan, and Taekwondo franchises, from animal-print and metallic versions to ballet-inspired designs. After reintroducing the Superstar with a community-focused approach, the brand sequentially scaled the franchise, backed by a global campaign and market-led activations. Besides the proactive evolution of its classics footwear business, adidas further expanded its lifestyle running and lifestyle football offerings. Following successful incubations, notably through the award-winning Adistar Jellyfish, the brand established models such as the Adistar Control and street-ready Predator and F50 versions. The momentum of Originals footwear also expanded into apparel, where the classic Firebird and Teamgeist collections saw a step up in demand in response to distinct material updates, including denim and knit, and successful local creation efforts. Collaborations with Pharrell Williams, Oasis, Wales Bonner, Bad Bunny, Edison Chen, Sporty & Rich, and collections co-created by the brand's retail partners further supported growth in Originals. Within Sportswear, adidas successfully leveraged its strong product momentum in Originals and other major categories into franchises tailored to commercial price points. In addition, innovative products such as the 3D-printed Climacool shoe and revamped Z.N.E. and Soft Lux apparel collections were well received by consumers looking for sport-inspired lifestyle products.

▶ SEE PRODUCT AND MARKETING

Double-digit growth in all markets

Currency-neutral net sales for the adidas brand grew at double-digit rates in all markets in 2025, as the company's market teams successfully executed locally relevant product assortments and activations. Europe (+10%), North America (+10%), and Greater China (+13%) grew revenues at a low-double-digit rate in 2025, implying significant market share gains. Latin America (+22%), Emerging Markets (+17%), and Japan/South Korea (+14%) recorded even faster growth. In all of these markets, growth was broad-based as reflected in strong improvements in both the wholesale and DTC business.

▶ SEE BUSINESS PERFORMANCE BY SEGMENT

All channels increasing double digits

From a channel perspective, growth for the adidas brand in 2025 was equally broad-based with double-digit increases in all channels. Strong sell-through rates at retail partners and increased shelf space allocations continued to drive wholesale revenues, which increased 12% on a currency-neutral basis. Own retail revenues were up 13%, driven by strong like-for-like growth in the company's global fleet of own stores and continued investments into retail doors. E-commerce sales increased 16%, with a continued focus on full-price propositions. As a result, sales in the brand's DTC business grew 14%.

Net sales development € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales by segment[2,3]					
Europe	8,136	7,551	8%	8%	10%
North America	5,087	5,128	(1%)	4%	10%
Greater China	3,623	3,459	5%	9%	13%
Emerging Markets	3,510	3,310	6%	15%	17%
Latin America	2,926	2,772	6%	21%	22%
Japan/South Korea	1,406	1,339	5%	11%	14%
Net sales by product division[2,4]					
Footwear	14,232	13,977	2%	7%	12%
Apparel	8,764	7,937	10%	15%	15%
Accessories	1,815	1,779	2%	6%	6%
Net sales by channel[2]					
Wholesale	14,833	14,172	5%	10%	12%
Direct-to-Consumer (DTC)	9,931	9,490	5%	9%	14%
Own retail	—	—	8%	12%	13%
E-commerce	—	—	1%	6%	16%
Total net sales	**24,811**	**23,683**	**5%**	**10%**	**13%**

1 Excluding Yeezy sales in the prior-year period.
2 Differences to total net sales may arise due to items which are not directly attributable.
3 Prior year adjusted due to a reclassification related to Other Businesses.
4 Prior year adjusted due to a reclassification within the product divisions.
Rounding differences may arise.

Cost of sales increase moderately

Cost of sales is defined as the amount paid to third parties for expenses associated with producing and delivering adidas products. In addition, own-production expenses are also included in the cost of sales. However, these expenses represent only a very small portion of total cost of sales. In 2025, cost of sales was € 12,006 million, representing an increase of 3% compared to the prior year level of € 11,658 million. This development mainly reflects the company's growth.

Gross margin up 0.8 percentage points to 51.6%

In 2025, gross profit increased 6% to € 12,804 million from € 12,026 million in 2024, while gross margin increased 0.8 percentage points to 51.6% (2024: 50.8%). The positive development reflects lower product and freight costs, a better business mix, as well as a healthy level of full-price sales, which more than offset the unfavorable impacts from currencies and higher US tariffs.

Gross margin[1] in %



1 Gross margin = (gross profit / net sales) × 100.

Royalties and other operating income

Royalty and commission income was flat at € 81 million in 2025 (2024: € 81 million), while other operating income declined 77% to € 41 million from € 174 million in 2024. The decrease in other operating income was mainly attributable to a one-time accruals release that was recorded in the prior year.

Other operating expenses decline

Other operating expenses, including depreciation and amortization, mainly consist of marketing and point-of-sale, distribution and selling, as well as general and administration expenses. In 2025, other operating expenses were down 1% to € 10,871 million (2024: € 10,945 million). As a percentage of sales, other operating expenses decreased 2.4 percentage points to 43.8% from 46.2% in 2024.

Marketing and point-of-sale expenses increased 8% to € 3,079 million in 2025 (2024: € 2,841 million). These investments included ‘You Got This,’ adidas’ multi-year brand campaign that features a series of global and local chapters and ‘The Original,’ a campaign that connects young generations with Originals’ iconic silhouettes. adidas also executed several localized product campaigns and activations. These featured product launches, such as the Evo SL, the Superstar, the FIFA World Cup 2026 home kits and the official match ball, as well as brand partner moments such as the ones with Liverpool FC and Oasis, supported by a multitude of market-led physical events to connect with local sports and streetwear culture. In addition, the increase reflects new and extended partnerships, such as the Audi F1 team, Penn State, the Argentine Football Federation, and Anthony Edwards, among many others. As a percentage of sales, marketing and point-of-sale expenses increased 0.4 percentage points to 12.4% (2024: 12.0%).

Operating overhead expenses decreased 4% to € 7,792 million (2024: € 8,103 million), as the company continued to invest into its sales and distribution capabilities while managing its overall cost base. As a percentage of sales, operating overhead expenses decreased 2.8 percentage points to 31.4% from 34.2% in 2024. Within operating overhead expenses, distribution and selling expenses decreased 1% to € 5,877 million in 2025 from € 5,936 million in the prior year. As a percentage of sales, distribution and

selling expenses decreased 1.4 percentage points to 23.7% from 25.1% in 2024. General and administration expenses were down 12% to € 1,885 million (2024: € 2,138 million). As a percentage of sales, general and administration expenses were down 1.4 percentage points to 7.6% (2024: 9.0%).

▶ SEE NOTE 30

Marketing and point-of-sale expenses in % of net sales



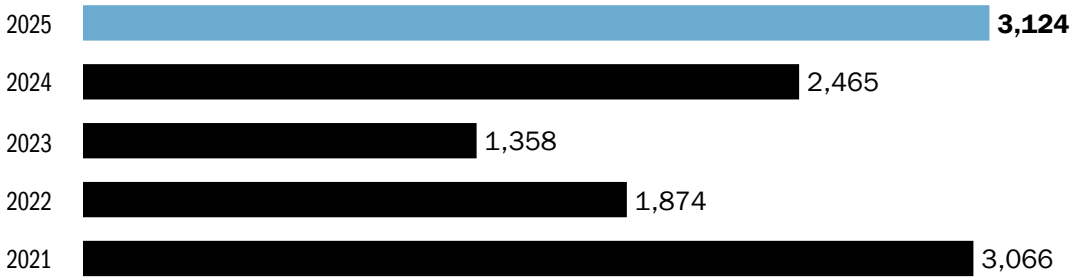
Operating overhead expenses in % of net sales



EBITDA increases strongly

Earnings before interest, taxes, depreciation, and amortization, as well as impairment losses/reversal of impairment losses on property, plant, and equipment; right-of-use; and intangible assets (EBITDA) increased 27% to € 3,124 million in 2025 (2024: € 2,465 million). Total depreciation and amortization as well as impairment losses/reversal of impairment losses for tangible, right-of-use, and intangible assets was relatively flat at € 1,135 million in 2025 (2024: € 1,180 million).

EBITDA[1] € in millions



1 EBITDA = income before taxes (IBT) + net interest expenses + depreciation and amortization + impairment losses – reversal of impairment losses.

Operating margin reaches 8.3%

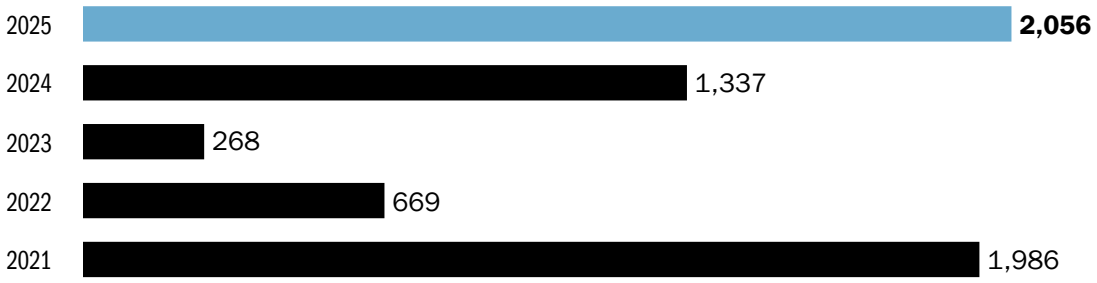
Operating profit increased 54%, or more than € 700 million in absolute terms, to € 2,056 million in 2025 (2024: € 1,337 million). This reflects an operating margin of 8.3% in 2025, 2.6 percentage points above the prior-year level (2024: 5.6%). Having completed the sale of the remaining Yeezy inventory in 2024, there was no Yeezy contribution to the company's operating profit in 2025 (2024: around € 200 million).

Operating margin

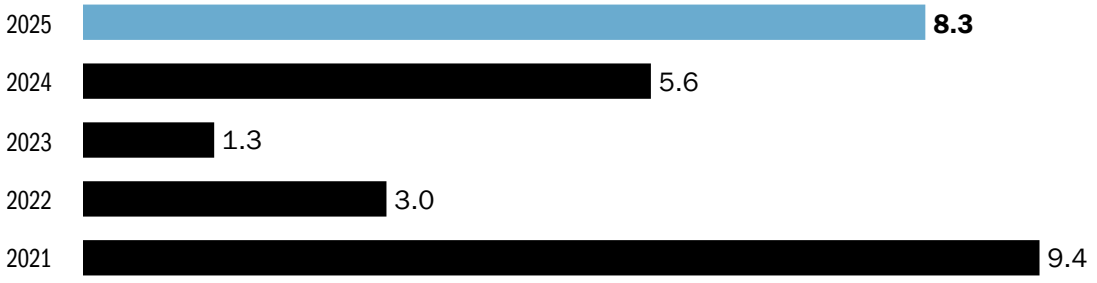
8.3%

+2.6PP

Operating profit € in millions



Operating margin[1] in %



1 Operating margin = (operating profit / net sales) × 100.

Net financial result stable while tax rate improves

Financial income decreased 27% to € 74 million in 2025 (2024: € 101 million), mainly reflecting lower interest income. Financial expenses declined 2% to € 310 million compared to € 317 million in 2024, as currency effects, which were less unfavorable than in the prior year, were partly offset by negative hyperinflation-related effects. Consequently, the company's net financial result was largely stable at

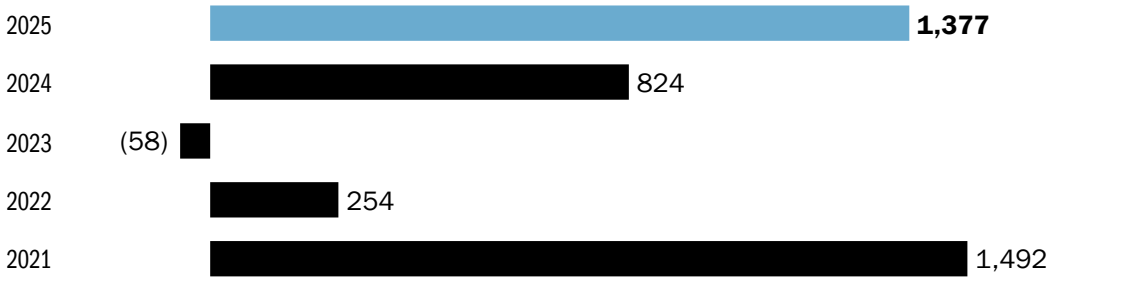
negative € 236 million (2024: negative € 215 million). The company's tax rate improved 2.2 percentage points to 24.3% in 2025 (2024: 26.5%), reflecting the normalization of profitability levels.

▶ SEE NOTE 32 ▶ SEE NOTE 34

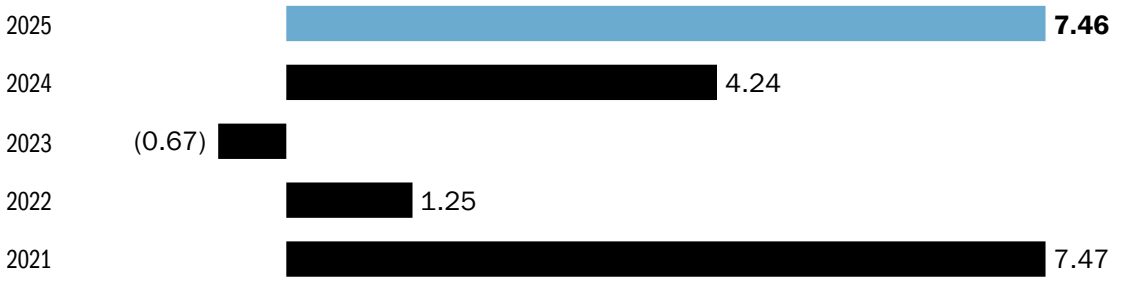
Net income from continuing operations increases to € 1,377 million

Driven by significant business improvements in 2025, net income from continuing operations improved strongly to € 1,377 million (2024: € 824 million). Taking into consideration € 45 million of net income attributable to non-controlling interests (2024: € 68 million), both basic and diluted earnings per share (EPS) from continuing operations reached € 7.46 (2024: € 4.24).

Net income/(loss) from continuing operations € in millions



Basic earnings per share in €



Net income attributable to shareholders increases to € 1,340 million

In 2025, adidas incurred gains from discontinued operations of € 8 million, net of tax, related to the Reebok divestiture (2024: € 8 million). The company's net income attributable to shareholders, which, in addition to the net income from continuing operations, considers the gains from discontinued operations as well as net income attributable to non-controlling interests, almost doubled to € 1,340 million in 2025 (2024: € 764 million). As a result, both basic and diluted EPS from continuing and discontinued operations increased 75% to € 7.51 in 2025 versus € 4.28 in 2024. The total number of shares outstanding was 178,665,018 at the end of 2025 (2024: 178,549,084). The average number of shares used in the calculation of basic earnings per share (EPS) was 178,559,220 (2024: 178,549,084). For the calculation of diluted earnings per share (EPS), the average number of shares used was 178,565,330 (2024: 178,563,385).

▶ SEE NOTE 35

Statement of Financial Position and Statement of Cash Flows

Assets

At the end of December 2025, total assets were down 2% to € 20,262 million (2024: € 20,655 million), mainly related to the decrease of cash and cash equivalents and other current financial assets, partially offset by the increase of inventories, accounts receivable, and other current assets.

Structure of statement of financial position[1] in % of total assets

	2025	2024
Assets (€ in millions)	**20,262**	**20,655**
Cash and cash equivalents	8%	12%
Accounts receivable	13%	12%
Inventories	29%	24%
Fixed assets[2]	32%	34%
Right-of-use assets (IFRS 16)[3]	40%	40%
Other assets	18%	19%

1 For absolute figures see Consolidated Statement of Financial Position.
2 Fixed assets = property, plant, and equipment + right-of-use assets + goodwill + other intangible assets + long-term financial assets.
3 As a percentage of fixed assets.

Total current assets increased 1% to € 11,977 million at the end of December 2025 compared to € 11,904 million in 2024. Cash and cash equivalents were down 34% to € 1,617 million at the end of December 2025 (2024: € 2,455 million). This development was related to operating working capital investments as well as the increased dividend payout for the year 2024. Inventories increased 17% to € 5,832 million at the end of December 2025 (2024: € 4,989 million), reflecting the company's planned top-line growth as well as earlier product purchases related to the FIFA World Cup 2026 and faster inbound deliveries. On a currency-neutral basis, inventories increased 23%.

▶ SEE NOTES 04–08

Inventories € in millions



Accounts receivable increased 9% to € 2,634 million at the end of December 2025 (2024: € 2,413 million) as a result of growth in the company's wholesale business and higher marketplace receivables. On a currency-neutral basis, receivables were up 18%. Other current financial assets were down 45% to € 518 million (2024: € 950 million), mainly related to a decrease in the fair value of financial instruments and a payment received in connection with the earn-out components of the Reebok divestiture. Other current assets were up 21% to € 1,208 million at the end of December 2025 (2024: € 997 million), mainly due to customs holdbacks and higher tax-related receivables.

▶ SEE NOTES 05–08

Accounts receivable € in millions



Total non-current assets decreased 5% to € 8,285 million at the end of December 2025 from € 8,751 million in 2024. This development was mainly related to a decrease in fixed assets, which were down 5% to € 6,576 million at the end of December 2025 (2024: € 6,953 million). Right-of-use assets decreased 6% to € 2,605 million (2024: € 2,779 million), mainly due to currency effects. Goodwill was down 6% to € 1,203 million (2024: € 1,275 million), also due to currency effects. Other intangible assets increased 4% to € 443 million (2024: € 426 million) due to the capitalization of internally generated software. Other non-current assets increased 43% to € 415 million at the end of December 2025 (2024: € 291 million), reflecting higher customs refund claims. Deferred tax assets amounted to € 1,077 million compared to € 1,272 million in 2024.

▶ SEE NOTES 09–15

Liabilities and equity

Total current liabilities were down 5% to € 9,094 million at the end of December 2025 from € 9,593 million in 2024. Short-term borrowings increased 13% to € 645 million at the end of December 2025 (2024: € 570 million). This development was related to the reclassification of a eurobond amounting to € 400 million to short-term borrowings due to its maturity in 2026 and a general increase of financing needs in the regions. This was partially offset by the repayment of a eurobond amounting to € 500 million in November 2025. Accounts payable decreased 6% to € 2,910 million at the end of December 2025 (2024: € 3,096 million), mainly due to exceptionally high sourcing volumes in the fourth quarter of the prior year. On a currency-neutral basis, accounts payable were down 4%. Current lease liabilities remained stable at € 603 million at the end of December 2025 (2024: € 607 million). Other current financial liabilities were up 75% to € 335 million (2024: € 191 million), mainly related to a higher negative fair value of financial instruments. Other current provisions decreased 21% to € 1,208 million at the end of December 2025 (2024: € 1,538 million), mainly due to reduced provisions for personnel and customs, including a reclassification from current to non-current. Current accrued liabilities were down 10% to € 2,383 million at the end of December 2025 (2024: € 2,659 million), mainly due to lower accruals for outstanding invoices and personnel. Other current liabilities were up 9% to € 652 million at the end of December 2025 from € 598 million in 2024, which was mainly related to higher tax liabilities.

▶ SEE NOTES 16–21

Structure of statement of financial position[1] in % of total liabilities and equity

	2025	2024
Liabilities and equity (€ in millions)	**20,262**	**20,655**
Short-term borrowings	3%	3%
Accounts payable	14%	15%
Long-term borrowings	10%	9%
Other liabilities	42%	45%
Current and non-current lease liabilities (IFRS 16)[2]	34%	34%
Total equity	30%	28%

1 For absolute figures see Consolidated Statement of Financial Position.
2 As a percentage of other liabilities.

Accounts payable € in millions



Total non-current liabilities decreased 3% to € 5,043 million at the end of December 2025 compared to € 5,194 million in the prior year. Long-term borrowings were up 4% to € 1,996 million at the end of December 2025 (2024:€ 1,915 million). This increase was a result of a new eurobond amounting to € 500 million issued in October 2025, which was partly offset by the reclassification of a eurobond of € 400 million to short-term borrowings due to its maturity in 2026. Non-current lease liabilities were down 7% to € 2,310 million at the end of December 2025 (2024: € 2,495 million), mainly due to currency effects. Deferred tax liabilities decreased 66% to € 45 million at the end of December 2025 (2024: € 133 million). Other non-current provisions were up 24% to € 436 million at the end of December 2025 (2024: € 353 million), reflecting a reclassification of provisions for customs from current to non-current. Other non-current liabilities were down 7% to € 143 million at the end of December 2025 (2024: € 154 million).

▶ SEE NOTES 16–24

Shareholders' equity increased 5% to € 5,776 million at the end of December 2025 versus € 5,476 million in 2024. This was mainly driven by higher net income, partly offset by the dividend paid to shareholders for the year 2024, negative currency effects, as well as a decrease of hedging reserves. The equity ratio increased to 28.5% compared to 26.5% in the prior year.

▶ SEE NOTE 25

Equity ratio[1] in %



1 Equity ratio = shareholders' equity / total liabilities and equity.

Operating working capital

Operating working capital increased 29% to € 5,556 million at the end of December 2025 (2024: € 4,306 million), reflecting the inventory increase to support the company's planned top-line growth, the increase in receivables in relation to growth in the wholesale business, and the decline in payables as sourcing volumes were more evenly distributed than in the prior year. On a currency-neutral basis, operating working capital was up 41%. Average operating working capital as a percentage of sales increased 3.3 percentage points to 23.0% (2024: 19.7%), which was driven by the company's operating working capital investments.

Average operating working capital[1] in % of net sales



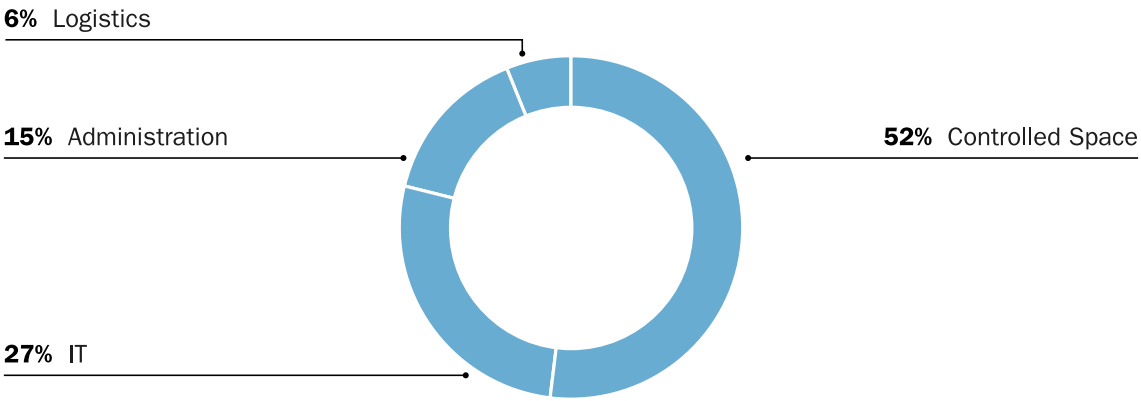
1 Average operating working capital = sum of operating working capital at quarter-ends/4. Operating working capital = accounts receivable + inventories – accounts payable.

Investment analysis

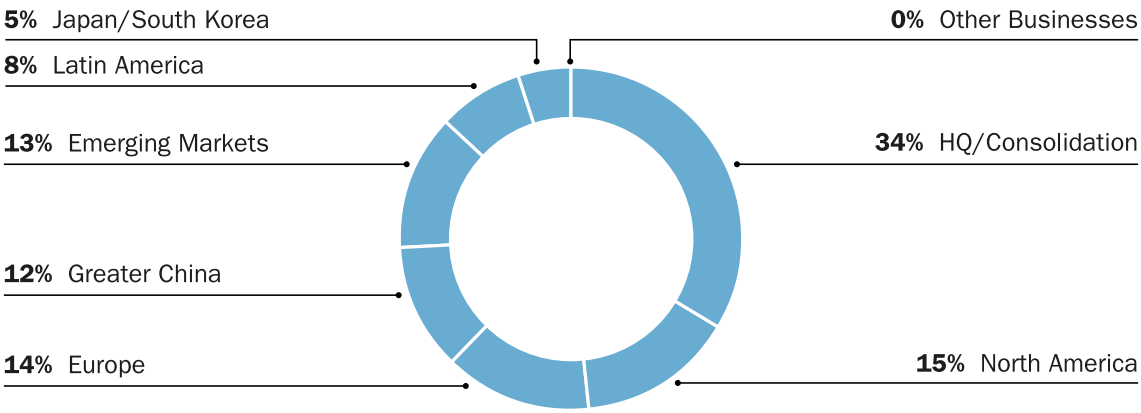
Capital expenditure is defined as the total cash expenditure for the purchase of tangible and intangible assets (excluding acquisitions and right-of-use assets according to IFRS 16). Capital expenditure decreased 12% to € 477 million (2024: € 540 million). Capital expenditure for property, plant, and equipment was down 13% to € 363 million compared to € 419 million in the prior year. The company invested € 114 million in intangible assets (2024: € 121 million). Depreciation and amortization, excluding impairment losses and reversal of impairment losses of tangible and intangible assets, decreased 9% to € 482 million in 2025 (2024: € 530 million).

Controlled space initiatives, which comprise investments in new or remodeled own retail and franchise stores as well as in shop-in-shop presentations of our products in our customers' stores, accounted for 52% of total capital expenditure (2024: 50%). Expenditure for IT and logistics represented 27% and 6%, respectively (2024: 25% and 9%, respectively). In addition, expenditure for administration accounted for 15% (2024: 16%). From a segmental perspective, the majority of the capital expenditure was recorded centrally at headquarter level, which accounted for 34% (2024: 31%). From a regional perspective, capital expenditure in North America and Europe accounted for 15% and 14%, respectively (2024: 16% and 16%, respectively) of the total capital expenditure, followed by Emerging Markets with 13% and Greater China with 12% (2024: 13% and 13%, respectively) as well as Latin America and Japan/South Korea with 8% and 5%, respectively (2024: 5% and 5%, respectively).

Capital expenditure by type in %



Capital expenditure by segments in %



Liquidity analysis

Net cash generated from operating activities amounted to € 751 million in 2025 (2024: € 2,910 million). This development was mainly due to operating working capital investments that offset the higher operating profit in the period. Adjustments according to IAS 29 'Financial Reporting in Hyperinflationary Economies' are required to be separately disclosed and had a positive impact of € 3 million on the company's 2025 operating cash flow (2024: € 9 million).

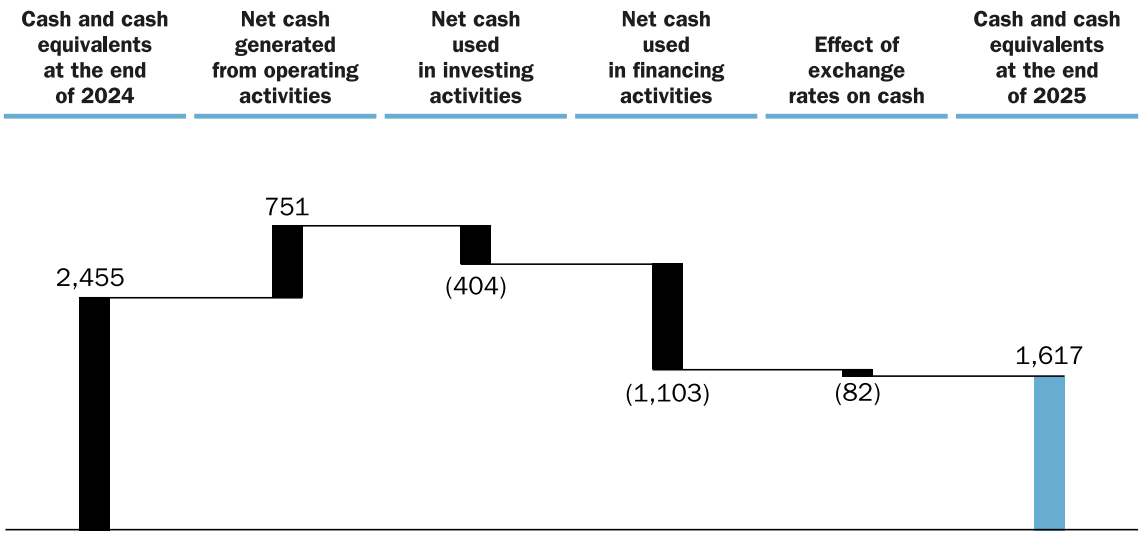
▶ SEE NOTE 37

In 2025, net cash used in investing activities reached a level of € 404 million compared to € 356 million in 2024. This development was mainly due to the purchase of property, plant, and equipment, as well as the change in investments and other long-term assets.

Net cash used in financing activities amounted to € 1,103 million (2024: € 1,559 million). This was mainly the result of repayments of lease liabilities, the repayment of a € 500 million eurobond in November 2025, the dividend payment for the year 2024 as well as interest paid. This development was partly offset by the proceeds of a € 500 million eurobond issued in October 2025 and changes in short-term borrowings.

Exchange rate effects on cash negatively impacted the company's cash position by € 82 million (2024: positive € 29 million). As a result of all these developments, cash and cash equivalents decreased to € 1,617 million at the end of December 2025 (2024: € 2,455 million).

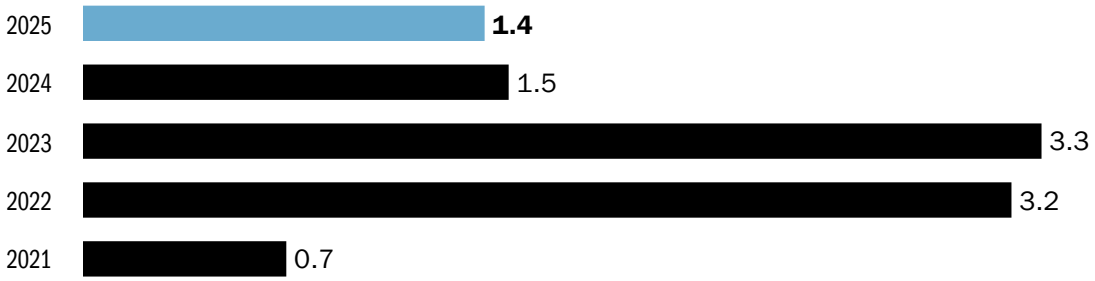
Change in cash and cash equivalents € in millions



Adjusted net borrowings at December 31, 2025 amounted to € 4,331 million, compared to € 3,622 million in 2024. The company's ratio of adjusted net borrowings over EBITDA improved to 1.4 at the end of December 2025 (2024: 1.5).

▶ SEE TREASURY

Adjusted net borrowings/EBITDA € in millions



Off-balance-sheet items

The company's most significant off-balance-sheet items are commitments for promotion and advertising, for service arrangements as well as for other contracts. At the end of December 2025, financial commitments for promotion and advertising decreased 3% to € 7,897 million in 2025 (2024: € 8,122 million). adidas has outsourced certain logistics and information technology functions, for which it has entered into long-term contracts. For these service arrangements, financial commitments increased 20% to € 839 million in 2025 (2024: € 669 million). The increase compared to the prior year was mainly related to new IT service agreements.

▶ SEE NOTE 38

Treasury

Corporate Financial Policy

In order to be able to meet the company's payment commitments at all times, the major goal of our Financial Policy is to ensure adidas' solvency, to limit financing risks, and to balance financing costs with financial flexibility. The operating activities of our segments and the resulting cash inflows represent the company's main source of liquidity. Liquidity is planned on a rolling monthly basis under a multi-year financial and liquidity plan.

Treasury Policy and responsibilities

Our Treasury Policy governs all treasury-related issues, including banking policy and approval of bank relationships, financing arrangements and liquidity/asset management, currency, interest, equity and commodity risk management, and the management of intercompany cash flows. Responsibilities are arranged in a three-tiered approach:

— The Treasury Committee consists of members of the Executive Board and other senior executives who decide on the Treasury Policy and provide strategic guidance for managing treasury-related topics. Major changes to our Treasury Policy are subject to the prior approval of the Treasury Committee.

— The Treasury department is responsible for specific centralized treasury transactions and for the global implementation of our Treasury Policy.

— On a subsidiary level, where applicable and economically reasonable, local managing directors and finance directors are responsible for managing treasury matters in their respective subsidiaries. Controlling functions on a corporate level ensure that the transactions of the individual business units are in compliance with our Treasury Policy.

Centralized Treasury function

In accordance with our Treasury Policy, all worldwide credit lines are directly or indirectly managed by the central Treasury department. Portions of those lines are allocated to our subsidiaries and sometimes backed by adidas AG guarantees. As a result of this centralized liquidity management, the company is well positioned to allocate resources efficiently throughout the organization. The company's debt is generally unsecured and may include standard covenants. We maintain good relations with numerous partner banks, thereby avoiding a high dependency on any single financial institution. Banking partners of the company and our subsidiaries are required to have at least a 'BBB–' long-term investment grade rating by Standard & Poor's or an equivalent rating by another leading rating agency. We authorize our companies to work with banks with a lower rating only in very exceptional cases. To ensure optimal allocation of the company's liquid financial resources, subsidiaries transfer excess cash to our headquarters in all instances where it is legally and economically feasible. In this regard, the standardization and consolidation of our global cash management and payment processes, including automated domestic and cross-border cash pools, are a key priority for our centrally managed Treasury department. In addition, the department is responsible for effective management of our currency exposure and interest rate risks.

▶ SEE NOTE 02

Standard covenants

In the case of our committed credit facilities, we have entered into various legal covenants. These legal covenants may include limits on the disposal of fixed assets, the amount of debt secured by liens, cross-default provisions, and change of control. However, our financial arrangements do not contain any financial covenants. If we fail to meet any covenant and were unable to obtain a waiver, borrowings would become due and payable immediately. As of December 31, 2025, we were in full compliance with all our covenants. We are fully confident that we will continue to be in compliance with these covenants in the future. We believe that cash generated from operating activities, together with access to internal and external sources of funds, will be sufficient to meet our future operating and capital needs.

Credit ratings

adidas has strong investment-grade ratings from Standard & Poor's and Moody's. In June 2025, S&P upgraded the rating from 'A-' to 'A,' citing stronger-than-expected deleveraging and sustained momentum in underlying operating performance. Moody's rates adidas 'A3.' The outlook for both ratings is stable. Overall, adidas' investment-grade credit ratings continue to ensure an efficient access to capital markets.

Syndicated credit facility

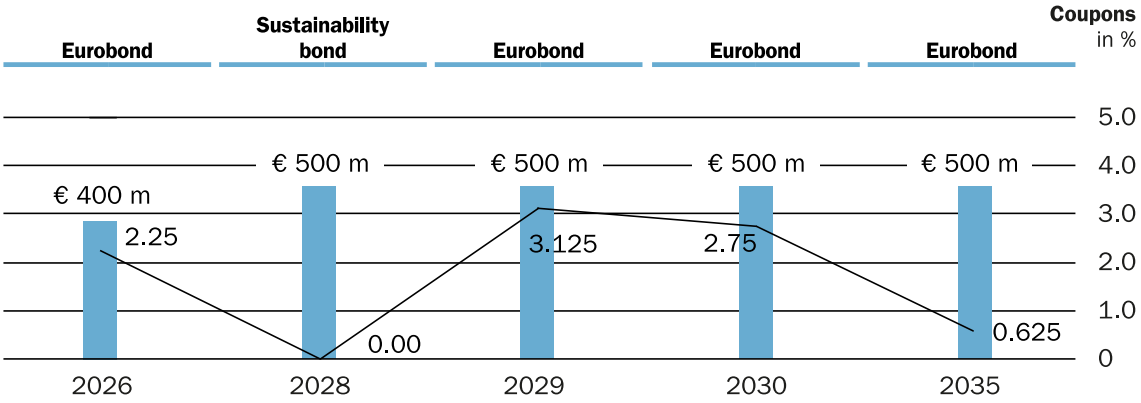
adidas entered into a € 1,500 million syndicated credit facility with twelve of its partner banks in November 2020. This credit facility agreement was subsequently amended in October 2021 and in November 2022. The amended and restated credit facility with then eleven partner banks had a size of € 2,000 million. In December 2023, adidas reduced the size of the syndicated credit facility, which runs until November 2027, to € 1,864 million and the number of lending banks to ten partner banks.

Outstanding bonds

adidas currently has five bonds outstanding. Most recently, in 2025, the company issued a € 500 million five-year bond maturing in November 2030 with a coupon of 2.75%. This issuance complements the existing maturity profile, which extends to September 2035. While all outstanding bonds are eurobonds, adidas also issued a € 500 million sustainability bond in September 2020, the proceeds of which were fully allocated to eligible sustainable projects by September 2023, as defined in the Sustainability Bond Framework. All bonds are listed on the Luxembourg Stock Exchange and have denominations of € 100,000 each, except for the bond maturing in October 2026, with a denomination of € 1,000 each.

▶ SEE NOTE 16

Maturity profile and coupons of adidas bonds[1]



1 Coupons are fixed.

Additional credit lines

In addition to the syndicated credit facility and access to bond markets, the company's financial flexibility is ensured by the availability of further credit facilities. At the end of 2025, committed and uncommitted credit lines, including the syndicated loan facility, amounted to € 3,599 million (2024: € 3,656 million), of which € 3,339 million was unutilized (2024: € 3,560 million). Committed and uncommitted credit lines represent approximately 53% and 47% of total credit lines, respectively (2024: 52% and 48%, respectively). In addition, we have an unused multi-currency commercial paper program in the amount of € 2,000 million available (2024: € 2,000 million). We monitor the ongoing need for available credit lines based on the current level of debt and future financing requirements.

Gross borrowings increase slightly

The company's gross borrowings, the vast majority of which are denominated in euro, are composed of bank borrowings as well as outstanding bonds. Gross borrowings amounted to € 2,642 million at the end of 2025 (2024: € 2,485 million). The total amount of bonds outstanding at the end of 2025 was € 2,389 million (2024: € 2,389 million). Bank borrowings amounted to € 252 million at the end of 2025 compared to € 96 million in the prior year.

Financing structure € in millions

	2025	2024
Cash and cash equivalents	**1,617**	**2,455**
Bank borrowings	252	96
Eurobonds	2,389	2,389
Gross total borrowings	**2,642**	**2,485**
Net (borrowings)/cash	**(1,024)**	**(30)**

As of December 31, 2025, cash and cash equivalents include € 287 million (2024: € 325 million) held by subsidiaries that were subject to foreign exchange control (e.g., Russia) or other legal restriction and hence were not anytime available for general use by adidas AG or other subsidiaries.

Debt maturity profile

In 2026, assuming unchanged maturities, debt instruments of € 645 million will mature. This compares to € 570 million that matured in the course of 2025.

Remaining time to maturity of gross borrowings € in millions

	2025	2024
< 1 year	**645**	570
1 to 3 years	**505**	425
3 to 5 years	**995**	994
> 5 years	**497**	496
Total	**2,642**	2,485

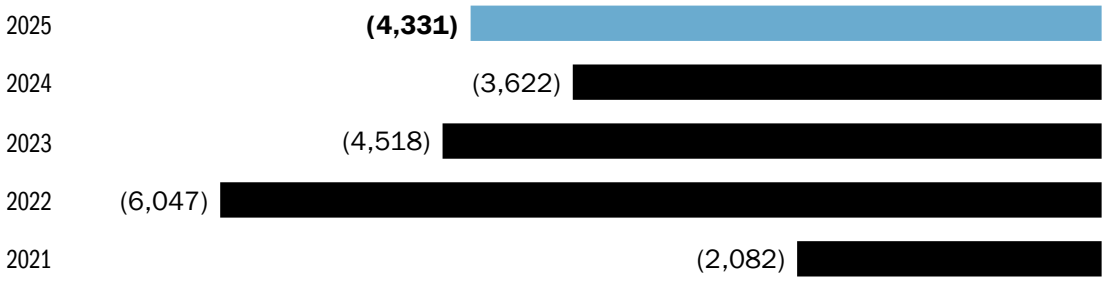


Adjusted net borrowings of € 4,331 million

Adjusted net borrowings on December 31, 2025, amounted to € 4,331 million, compared to € 3,622 million on December 31, 2024. This development was mainly due to the decline in cash and cash equivalents, while borrowings increased slightly.

▶ SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

Adjusted (net borrowings)/net cash[1,2] € in millions



1 2021 figure was restated to reflect methodology revision in 2022.
2 2021 figure reflects the reclassification of the Reebok business to assets or liabilities held for sale.

Adjusted net borrowings include the present value of future lease and pension liabilities. In 2022, the methodology for calculating adjusted net borrowings was revised to align with broader market practice and the approach of rating agencies. The main change of the methodology revision was the elimination of income tax adjustments from net borrowings.

▶ SEE NOTE 25

Composition of adjusted net borrowings € in millions

	2025	2024
Short-term borrowings	645	570
Long-term borrowings	1,996	1,915
Current and non-current lease liabilities	2,913	3,102
Pensions and similar obligations	106	144
Factoring	—	21
Subtotal	**5,661**	**5,752**
Cash and cash equivalents	1,617	2,455
Less trapped cash	287	325
Less accessible cash and cash equivalents	**1,330**	**2,130**
Adjusted net borrowings	**4,331**	**3,622**

Leverage ratio significantly below 2.0

The company remains committed to an adjusted net borrowings below two times EBITDA (Earnings before interests, taxes, depreciation and amortization and impairment losses and reversals) over the long term. This ratio amounted to 1.4 at the end of December 2025 (2024: 1.5), reflecting the overproportionate increase in EBITDA compared to the prior-year period.

▶ SEE INCOME STATEMENT ▶ SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS ▶ SEE NOTE 25

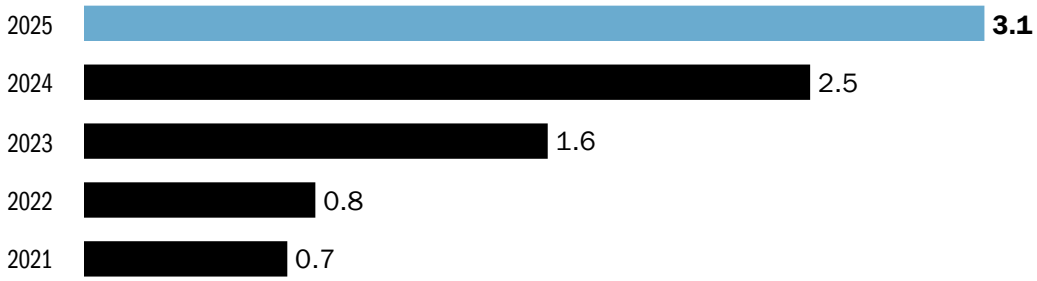
Adjusted net borrowings/EBITDA

1.4

Interest rate increases

The weighted average interest rate on the company's gross borrowings increased to 3.1% in 2025 (2024: 2.5%). This development was due to higher financing needs in some subsidiaries in markets with high interest rates and due to the repayment of a zero-coupon eurobond at the end of 2024. Fixed-rate financing represented 91% of total gross borrowings at the end of 2025 (2024: 98%). Variable-rate financing accounted for 9% of total gross borrowings at the end of 2025 (2024: 2%).

Interest rate development[1] in %



1 Weighted average interest rate of gross borrowings.

Effective foreign exchange management is a key priority

As a globally operating company, adidas is exposed to currency risks. Therefore, effective currency management is a key focus of our Treasury department, with the aim of reducing the impact of currency fluctuations on non-euro-denominated net future cash flows. In this regard, hedging US dollars is a central part of our hedging program. This is a direct result of our Asian-dominated sourcing, which is largely denominated in US dollars. In 2025, our Treasury department managed a net deficit of around US $ 8.7 billion related to business activities (2024: US $ 5.0 billion). Thereof, around US $ 6.9 billion was against the euro (2024: US $ 3.6 billion). As governed by our Treasury Policy, we have established a hedging program on a rolling basis up to 24 months in advance, under which the vast majority of the anticipated seasonal hedging volume is secured approximately six months prior to the start of a season. In rare instances, hedges are contracted beyond the 24-month horizon. We had largely covered our anticipated hedging needs for 2026 as of the end of 2025. At the same time, we have already started hedging our exposure for 2027. The use of different hedging instruments, such as foreign exchange contracts, currency options, and swaps, or the combination of different instruments protect us against unfavorable currency movements.

▶ SEE SOURCING AND SUPPLY CHAIN ▶ SEE RISK AND OPPORTUNITY REPORT ▶ SEE NOTE 28

Financial Statements and Management Report of adidas AG

adidas AG is the parent company of the adidas Group. It includes operating business functions, primarily for the German market, as well as corporate headquarter functions such as Marketing, IT, Treasury, Taxes, Legal, and Finance. adidas AG also administers the company's shareholdings.

Operating activities and capital structure of adidas AG

The majority of the operating business of adidas AG consists of the sale of merchandise to wholesale partners and own retail activities.

In addition to its own trading activities, the results of adidas AG are significantly influenced by its holding function for the adidas Group. This is reflected primarily in currency effects, cost recharges for services provided, interest result, and income from investments in related companies.

The risks and opportunities as well as the future development of adidas AG largely reflect those of the adidas Group.

▶ SEE OUTLOOK ▶ SEE RISK AND OPPORTUNITY REPORT

The asset and capital structure of adidas AG is significantly impacted by its holding and financing function for the adidas Group. For example, 55% of total assets as of December 31, 2025, related to financial assets (2024: 49%), which primarily consist of shares in affiliated companies. Intercompany accounts, through which transactions between affiliated companies are settled, represent another 24% of total assets (2024: 17%) and 25% of total equity and liabilities as of December 31, 2025 (2024: 29%).

Preparation of accounts

Unlike the consolidated financial statements, which are in conformity with the IFRS Accounting Standards, as adopted by the European Union as of December 31, 2025, the following financial statements of adidas AG have been prepared in accordance with the rules set out in the German Commercial Code (Handelsgesetzbuch – HGB).

Income statement in accordance with HGB

Statement of income in accordance with HGB (Condensed) € in millions

	2025	2024
Net sales	5,673	5,068
Change in finished and unfinished goods	—	—
Total output	**5,673**	**5,068**
Other operating income	543	687
Cost of materials	(1,997)	(1,845)
Personnel expenses	(829)	(891)
Depreciation and amortization	(121)	(137)
Other operating expenses	(3,011)	(3,150)
Operating result	**258**	**(268)**
Financial result	1,586	500
Taxes	(114)	(83)
Net income	**1,729**	**149**
Retained earnings brought forward	78	286
Transfer to revenue reserves	(800)	—
Utilization for the issuance of adidas AG shares	15	—
Retained earnings	**1,022**	**435**

adidas AG net sales € in millions

	2025	2024
Royalty and commission income	2,864	2,475
adidas Germany	1,865	1,673
Foreign subsidiaries	66	75
Central distribution unit	55	78
Other revenues	823	767
Total	**5,673**	**5,068**

Sales of adidas AG comprise external revenues generated by adidas Germany as well as revenues from foreign subsidiaries. Revenues of adidas AG also include royalty and commission income, mainly from affiliated companies, revenues from the central distribution unit and other revenues, which mainly consist of costs recharged to subsidiaries. In 2025, adidas AG net sales increased 12% to € 5,673 million compared to € 5,068 million in the prior year.

In 2025, other operating income of adidas AG decreased 21% to € 543 million (2024: € 687 million). This development was primarily due to lower positive currency effects and less releases of accruals and provisions.

In 2025, other operating expenses for adidas AG decreased 4% to € 3,011 million (2024: € 3,150 million). This was largely attributable to donations.

Depreciation and amortization for adidas AG relating to intangible and tangible fixed assets decreased 12% to € 121 million in 2025 (2024: € 137 million).

In 2025, adidas AG generated an operating income of € 258 million (2024: € operating loss 268 million). This development is mainly due to higher net sales and lower expenses.

The financial result of adidas AG increased 217% to € 1,586 million in 2025 (2024: € 500 million). The increase was attributable to higher income from dividends.

Net income, after taxes of € 114 million (2024: € 83 million), amounted to € 1,729 million in 2025 and was higher than the prior year of € 149 million.

Balance sheet in accordance with HGB

Balance sheet in accordance with HGB (Condensed) € in millions

	December 31, 2025	December 31, 2024
Assets		
Intangible assets	394	359
Property, plant, and equipment	635	652
Financial assets	5,711	4,425
Fixed assets	**6,740**	**5,436**
Inventories	39	38
Receivables and other assets	2,694	1,733
Cash and cash equivalents, securities	800	1,648
Current assets	**3,533**	**3,419**
Prepaid expenses	185	153
Total assets	**10,457**	**9,008**
Equity and liabilities		
Shareholders' equity	3,864	2,479
Provisions	939	956
Liabilities and other items	5,654	5,573
Total equity and liabilities	**10,457**	**9,008**

At the end of December 2025, total assets increased 16% to € 10,457 million compared to € 9,008 million in the prior year. This development was mainly a result of the increase in financial assets as well as receivables and other assets.

Shareholders' equity increased 56% to € 3,864 million at the end of 2025 (2024: € 2,479 million). The equity ratio increased to 37.0% (2024: 27.5%).

Provisions decreased 2% to € 939 million at the end of 2025 (2024: € 956 million).

At the end of December 2025, liabilities and other items increased 1% to € 5,654 million (2024: € 5,573 million). This is mainly due to higher VAT liabilities and liabilities to group companies.

Development of cash and cash equivalents

adidas AG has a syndicated credit facility of € 1,864 million and additional bilateral credit lines (including overdrafts) of € 731 million. In addition, the company has a multi-currency commercial paper program in an amount of € 2,000 million available.

▶ SEE TREASURY

In 2025, operating activities of adidas AG resulted in a cash outflow of € 225 million (2024: cash inflow € 55 million). The change versus the prior year was mainly a result of higher receivables. Net cash inflow from investment activities was € 430 million (2024: € 525 million). The reduction was primarily attributable to higher investments in financial assets and in the other direction higher dividend income from subsidiaries. Financing activities resulted in a net cash outflow of € 551 million (2024: € 345 million). The net cash outflow from financing activities mainly relates to the dividend payment to the shareholders of adidas AG and interest payments. As a result of these developments, cash and cash equivalents of adidas AG decreased to € 78 million at the end of December 2025 compared to € 424 million at the end of the prior year.

adidas AG is able to meet its financial commitments at all times.

Disclosures Pursuant to § 315a and § 289a of the German Commercial Code and Explanatory Report

Composition of subscribed capital

The nominal capital of adidas AG amounts to € 180,000,000 (as at December 31, 2025) and is divided into the same number of registered no-par-value shares with a notional pro rata amount in the nominal capital of € 1 each. The nominal capital and the number of shares did not change in the 2025 financial year. The shares are fully paid in. Any claim on the part of the shareholders to the issuance of individual share certificates is generally excluded pursuant to § 4 section 7 of the Articles of Association unless such issuance is required in accordance with the regulations valid at a stock exchange at which the shares are admitted. Pursuant to § 67 section 2 German Stock Corporation Act (Aktiengesetz – AktG), in relation to adidas AG, only a person who is registered accordingly in the share register shall be deemed a shareholder. Each share grants one vote at the Annual General Meeting and determines the shareholders' share in the company's profit. All shares carry the same rights and obligations. The shareholders' individual rights and obligations follow from the provisions of the German Stock Corporation Act, in particular from §§ 12, 53a et seq., 118 et seq., and 186 AktG. As at December 31, 2025, adidas AG held in total 1,334,982 treasury shares, which do not confer any rights to the company in accordance with § 71b AktG.

▶ SEE NOTE 25

In the USA, adidas AG has issued American Depositary Receipts (ADRs). ADRs are deposit certificates of non-US shares that are traded instead of the original shares on US stock exchanges. Two ADRs equal one adidas AG share.

▶ SEE OUR SHARE

Restrictions on voting rights or transfer of shares

The company is not aware of any contractual agreements with adidas AG or other agreements restricting voting rights or the transfer of shares. However, based on the Fair Play Code of Conduct and internal guidelines of adidas AG and based on Article 19 section 11 of the Regulation (EU) No 596/2014 (Market Abuse Regulation), particular trade prohibitions do exist for members of the Supervisory Board and the Executive Board as well as employees with regard to the purchase and sale of adidas AG shares in connection with the (time of) publication of quarterly results as well as half-year and full-year financial reports.

In addition, restrictions of voting rights may exist pursuant to, inter alia, § 136 AktG or for treasury shares pursuant to § 71b AktG as well as due to capital market regulations, in particular pursuant to §§ 33 et seq. German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

The shares that were issued to employees of adidas AG in the context of the employee stock purchase plan and to employees of subsidiaries participating in the employee stock purchase plan are not subject to any lock-up periods, unless such a lock-up period is stipulated in locally applicable regulations. Employees who hold the shares which they purchased themselves (investment shares) for at least one year will subsequently receive one share for every six investment shares without having to pay for such share (matching share) if they are still adidas employees at that point in time. If employees transfer, pledge, or hypothecate investment shares in any way during the one-year vesting period, the right to receive matching shares ceases.

Shareholdings in share capital exceeding 10% of voting rights

The company has not been notified of, and is not aware of, any direct or indirect shareholdings in the share capital of adidas AG reaching or exceeding 10% of the voting rights.

Shares with special rights

There are no shares bearing special rights. In particular, there are no shares with rights conferring powers of control.

Voting right control if employees have a share in the capital

Like other shareholders, employees who hold adidas AG shares can exercise their control rights in accordance with statutory provisions and the Articles of Association. This also applies to the shares acquired by a service provider as part of the employee stock purchase plan. Employees may exercise their voting rights from these shares directly or indirectly.

Executive Board appointment and dismissal

Pursuant to § 6 of the Articles of Association and § 84 AktG, the Supervisory Board is responsible for determining the exact number of members of the Executive Board, for their appointment and dismissal as well as for the appointment of the Chief Executive Officer (CEO). The adidas AG Executive Board, which, as a basic principle, comprises at least two members, consists of the CEO and three further members as at the balance sheet date. Executive Board members may be appointed for a maximum period of five years. Such appointments may be renewed and the terms of office may be extended, provided that no term exceeds five years.

▶ SEE EXECUTIVE BOARD

The Supervisory Board may revoke the appointment as a member of the Executive Board or CEO for good cause such as gross negligence of duties or a vote of no confidence by the Annual General Meeting.

As adidas AG is subject to the regulations of the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), the appointment of Executive Board members and also their dismissal requires a majority of at least two thirds of the Supervisory Board members (§ 31 MitbestG). If such a majority is not established in the first vote by the Supervisory Board, the Mediation Committee has to present a proposal which, however, does not exclude other proposals. The appointment or dismissal is then made in a second vote with a simple majority of the votes cast by the Supervisory Board members. Should the required majority not be established in this case either, a third vote, again requiring a simple majority, must be held in which the Chair of the Supervisory Board has two votes.

If the Executive Board does not have the required number of members, the competent court must, in urgent cases, make the necessary appointment upon application (§ 85 section 1 AktG).

Amendments to the Articles of Association

Pursuant to §§ 119 section 1 number 6, 179 section 1 sentence 1 AktG, the Articles of Association of adidas AG can, in principle, only be amended by a resolution of the Annual General Meeting. Pursuant to § 21 section 3 of the Articles of Association in conjunction with § 179 section 2 sentence 2 AktG, the Annual General Meeting of adidas AG principally resolves upon amendments to the Articles of Association with a simple majority of the votes cast and with a simple majority of the nominal capital represented when passing the resolution. If mandatory legal provisions stipulate a larger majority of voting rights or capital, this majority is applicable. When it comes to amendments solely relating to the wording, the Supervisory Board is authorized to make these modifications in accordance with § 179 section 1 sentence 2 AktG in conjunction with § 10 section 1 sentence 2 of the Articles of Association.

Authorizations of the Executive Board

The authorizations of the Executive Board are regulated by §§ 76 et seq. AktG in conjunction with §§ 7 and 8 of the Articles of Association. The Executive Board is responsible, in particular, for managing the company and represents the company judicially and extra-judicially.

Authorization of the Executive Board to issue shares

The authorization of the Executive Board to issue shares is regulated by § 4 of the Articles of Association and by statutory provisions:

Authorized Capital

— Until June 5, 2030, the Executive Board is authorized to increase the nominal capital, subject to Supervisory Board approval, by issuing new shares against contributions in cash once or several times by no more than € 50,000,000 altogether (Authorized Capital 2025/I). The Executive Board may, subject to Supervisory Board approval, exclude residual amounts from shareholders' subscription rights.

— Until June 5, 2030, the Executive Board is also authorized to increase the nominal capital, subject to Supervisory Board approval, by issuing new shares against contributions in kind and/or cash once or several times by no more than € 20,000,000 altogether (Authorized Capital 2025/II). The Executive Board is authorized, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights and to wholly or partly exclude shareholders' subscription rights when issuing shares against contributions in kind. Additionally, the Executive Board may, subject to Supervisory Board approval, exclude shareholders' subscription rights if the new shares against contributions in kind are issued at a price not significantly below the stock market price of the company's shares already quoted on the stock exchange at the point in time when the issue price is ultimately determined, which should be as close as possible to the placement of the shares; this exclusion of subscription rights can also be associated with the listing of the company's shares on a foreign stock exchange. The authorization to exclude subscription rights under this authorization, however, may only be used to the extent that the pro-rata amount of the new shares in the nominal capital together with the pro-rata amount in the nominal capital of other shares, which have been issued by the company since May 15, 2025, subject to the exclusion of subscription rights, on the basis of an authorized capital or following a repurchase or for which subscription or conversion rights or subscription or conversion obligations have been granted through the issuance of convertible bonds and/or bonds with warrants while excluding subscription rights, does not exceed 10% of the nominal capital existing on the date of

the entry of this authorization with the Commercial Register or – if this amount is lower – as of the respective date on which the resolution on the utilization of the authorization is adopted. The previous sentence does not apply to the exclusion of subscription rights for residual amounts. The Authorized Capital 2025/II must not be used to issue shares within the scope of compensation or participation programs for Executive Board members or employees or for members of the management bodies or employees of affiliated companies.

▶ SEE NOTE 25

Contingent Capital

The nominal capital of the company is conditionally increased by up to € 12,500,000 (Contingent Capital 2022). The Contingent Capital serves the purpose of granting holders or creditors of bonds that were issued based on the resolution of the Annual General Meeting on May 12, 2022, option or conversion rights relating to not more than a total of 12,500,000 shares in compliance with the corresponding conditions of the bonds. Based on the authorization granted by the Annual General Meeting on May 12, 2022, the Executive Board is authorized to issue bonds with warrants and/or convertible bonds (together 'bonds') in an aggregate nominal value of up to € 4,000,000,000 with or without a limited term against contributions in cash once or several times until May 11, 2027, and to guarantee bonds issued by subordinated Group companies. The Executive Board is also authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights for bonds insofar as this is required for residual amounts, and to also exclude shareholders' subscription rights insofar as and to the extent that this is necessary for granting subscription rights to which holders or creditors of previously issued bonds are entitled. Finally, the Executive Board is authorized, subject to Supervisory Board approval, to also exclude shareholders' subscription rights insofar as the bonds are issued against contributions in cash and the issue price of the bonds is not significantly below the hypothetical market value of these bonds and the number of shares to be issued do not exceed 10% of the nominal capital. Shares that are issued or sold in accordance with § 186 section 3 sentence 4 AktG during the term of this authorization until its utilization, as well as shares to be issued or granted during the term of this authorization on the basis of bonds issued with the exclusion of subscription rights in accordance with this provision utilizing another authorization, shall be attributed to the aforementioned limit of 10%. The total number of shares to be issued under bonds which are issued with the exclusion of subscription rights based on the authorization and of shares that are issued from an authorized capital with the exclusion of subscription rights during the term of the authorization may not exceed a pro-rata amount of the nominal capital of 10% on the date of the entry of this authorization with the Commercial Register. Notwithstanding the Supervisory Board's right to determine further approval requirements, the Executive Board requires the Supervisory Board's approval for the issuance of bonds based on the resolution of the Annual General Meeting on May 12, 2022, with the exclusion of shareholders' subscription rights.

The Executive Board has so far not utilized the authorization to issue bonds granted by the Annual General Meeting on May 12, 2022.

Authorization of the Executive Board to repurchase shares

The authorizations of the Executive Board to repurchase adidas AG shares arise from §§ 71 et seq. AktG and, as at the balance sheet date, from the authorization granted by the Annual General Meeting on May 11, 2023.

Until May 10, 2028, the Executive Board is authorized to repurchase adidas AG shares in an amount totaling up to 10% of the nominal capital at the date of the resolution (or, as the case may be, a lower amount of nominal capital at the date of utilization of the authorization) for any lawful purpose and within the legal framework. The authorization may be used by the company but also by its subordinated Group companies or by third parties on account of the company or its subordinated Group companies or third parties assigned by the company or one of its subordinated Group companies.

The repurchase can be carried out via the stock exchange, through a public invitation to submit sale offers, through a public repurchase offer, or through granting tender rights to shareholders. The authorization furthermore sets out the lowest and highest nominal value that may be granted in each case.

The purposes for which treasury shares repurchased based on this authorization may be used are set out in the resolution on Item 8 of the Agenda for the Annual General Meeting held on May 11, 2023. The shares may, in particular, be used as follows:

— They may be sold on the stock exchange or through a public offer to all shareholders in relation to their shareholding quota; in case of an offer to all shareholders, subscription rights for residual amounts are excluded. The shares may also be sold differently, provided the shares are sold in exchange for a cash payment and at a price that, at the time of the sale, is not significantly below the stock market price of the company's shares with the same features; the prorated amount of the nominal capital that is attributable to the aggregate number of shares sold under this authorization may not exceed 10% of the company's nominal capital. The prorated amount of the nominal capital attributable to new shares, which may be issued between May 11, 2023, and the sale of the shares based on an authorized capital while excluding shareholders subscription rights pursuant to §§ 203 section 1, 186 section 3 sentence 4 AktG is attributed to the limit of 10%. Likewise, the prorated amount of the nominal capital that is attributable to shares that may be issued due to bonds with warrants and/or convertible bonds, which are linked to subscription or conversion rights or obligations or the company's right to delivery of shares, provided these bonds are issued on the basis of authorizations pursuant to §§ 221 section 4, 186 section 3 sentence 4 AktG between May 11, 2023, and the sale of the shares, shall also be attributed to the limit of 10%.

— The shares may be offered and assigned as consideration for the direct or indirect acquisition of companies, parts of companies or participations in companies or other business assets, especially real estate and rights to real estate, or receivables (also from the company) or within the scope of company mergers.

— They may be offered and sold as consideration for the acquisition of industrial property rights or intangible property rights or for the acquisition of licenses relating to such rights, also through subordinated Group companies.

— They may be used for purposes of meeting the subscription or conversion rights or obligations or the company's right to delivery of shares arising from bonds with warrants and/or convertible bonds issued by the company or its subordinated Group companies.

— In connection with employee stock purchase plans, the shares may be used in favor of (current and former) employees of the company and its affiliated companies as well as in favor of (current and former) members of management bodies of the company's affiliated companies, whereas the amount of shares must not exceed 5% of the nominal capital neither at the point in time when this authorization becomes effective nor at the point in time when the shares are used. Shares assigned to members of the Executive Board as compensation in the form of a share bonus based on this authorization are to be attributed to this limit.

— They may be canceled without such cancellation requiring an additional resolution of the Annual General Meeting.

Furthermore, the shares may be assigned to members of the Executive Board as compensation in the form of a share bonus subject to the provision that resale by the Executive Board members shall only be permitted following a lock-up period of at least four years. Responsibility in this case lies with the Supervisory Board. The amount of shares which may be used for such purposes must not exceed 5% of the nominal capital, neither at the point in time when this authorization becomes effective nor at the point in time when the shares are used or promised. Shares used for employee stock purchase plans based on this authorization shall be attributed to this limit.

The rights of shareholders to subscribe treasury shares shall be excluded to the extent that such shares are used pursuant to the aforementioned authorization. The Supervisory Board may determine that transactions based on this authorization may only be carried out subject to the approval of the Supervisory Board or one of its committees.

Within the scope of the authorization resolved upon by the Annual General Meeting on May 11, 2023, the Executive Board is furthermore authorized to conduct the share buyback also by using equity derivatives which are arranged with a credit institution or financial services institution in close conformity with market conditions or by using a multilateral trading facility within the meaning of § 2 section 6 Stock Exchange Act (Börsengesetz). adidas AG is authorized to acquire options that entitle the company to purchase shares of the company upon the exercise of the options (call options) and/or to sell options that require the company to purchase shares of the company upon the exercise of the options (put options) or to use a combination of call and put options or other equity derivatives if the option conditions ensure that the shares delivered for these equity derivatives were purchased in compliance with the principle of equal treatment. All share purchases using the aforementioned equity derivatives are limited to a maximum value of 5% of the nominal capital existing at the date on which the resolution was adopted by the Annual General Meeting (or, as the case may be, a lower amount of nominal capital at the date of exercising the authorization). The term of the equity derivatives may not exceed 18 months and must furthermore be chosen in such a way that the shares are purchased upon the exercise of the equity derivatives no later than May 10, 2028. The authorization to purchase adidas AG shares while using equity derivatives or via multilateral trading facilities also contains specifications on the highest and lowest amount of consideration per share that may be granted in each case.

For the use, the exclusion of subscription rights and the cancellation of shares purchased using equity derivatives or a multilateral trading facility, the general provisions adopted by the Annual General Meeting (as set out earlier) apply accordingly.

In the 2025 financial year, the Executive Board did not use the authorization to purchase adidas AG shares.

Change of control/compensation agreements

The essential agreements that provide for regulations in the case of a change of control are the material financing agreements of adidas AG. In the case of a change of control, these agreements, as is customary in the market, entitle the creditor/bondholder to termination and early calling-in.

No compensation agreements were entered into with members of the Executive Board or employees relating to the event of a takeover bid.

Business Performance by Segment

adidas is reporting its financial and operating performance via the following breakdown: Europe, North America, Greater China, Emerging Markets, Latin America, and Japan/South Korea. In 2025, currency-neutral revenues for the adidas brand increased at a double-digit rate in all markets, reflecting its broad-based momentum as well as the locally relevant product ranges and activations around the globe.

Europe

In 2025, sales for the adidas brand in Europe grew 10% on a currency-neutral basis. Growth was broad based, led by double-digit increases in Performance, including Running, Training, Specialist Sports, and Performance Basketball. Lifestyle revenues increased at a high-single-digit rate, driven by double-digit growth in Sportswear and high-single-digit increases in Originals. Including Yeezy sales in the prior year, currency-neutral revenues grew by 8%. In euro terms, sales also increased 8% to € 8,136 million from € 7,551 million in 2024.

Net sales in Europe

+10% Brand adidas c.n.

€ 8,136 million

Europe at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	8,136	7,551	8%	8%	10%
Gross profit	4,195	3,795	11%	—	—
Gross margin	51.6%	50.3%	1.3pp	—	—
Operating expenses	2,504	2,310	8%	—	—
Operating expenses in % of net sales	30.8%	30.6%	0.2pp	—	—
Operating profit	1,692	1,485	14%	—	—
Operating margin	20.8%	19.7%	1.1pp	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in Europe increased 1.3 percentage points to 51.6% from 50.3% in 2024, mainly reflecting lower sourcing costs. Operating expenses were up 8% to € 2,504 million versus € 2,310 million in 2024, driven by increases in both marketing expenditure and operating overhead costs. As a percentage of sales, operating expenses were up 0.2 percentage points to 30.8% (2024: 30.6%). Operating profit in Europe increased 14% to € 1,692 million versus € 1,485 million in the prior year. The operating margin improved 1.1 percentage points to 20.8% (2024: 19.7%).

North America

Sales for the adidas brand in North America increased 10% on a currency-neutral basis. The increase was a result of double-digit growth in both Lifestyle and Performance. In Lifestyle, both Originals and Sportswear grew double digits while broad-based increases in Performance were led by Running, Football, Training, and Performance Basketball. Including Yeezy sales in the prior year, currency-neutral revenues grew by 4%. In euro terms, sales were down 1% to € 5,087 million due to unfavorable currency translation effects (2024: € 5,128 million).

Net sales in North America

+10% Brand adidas c.n.

€ 5,087 million

North America at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	5,087	5,128	(1%)	4%	10%
Gross profit	2,312	2,210	5%	—	—
Gross margin	45.4%	43.1%	2.3pp	—	—
Operating expenses	1,792	1,788	0%	—	—
Operating expenses in % of net sales	35.2%	34.9%	0.4pp	—	—
Operating profit	544	480	13%	—	—
Operating margin	10.7%	9.4%	1.3pp	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in North America increased 2.3 percentage points to 45.4% (2024: 43.1%), mainly reflecting lower sourcing costs and reduced discounting. In accordance with the company's operating model, the impact of higher US tariffs is mainly recognized centrally rather than at the market level. Operating expenses were flat at € 1,792 million versus € 1,788 million in 2024, reflecting an increase in marketing expenditure, while operating overhead costs declined. Operating expenses as a percentage of sales increased 0.4 percentage points to 35.2% (2024: 34.9%). Operating profit in North America increased 13% to € 544 million from € 480 million in 2024, while the operating margin increased 1.3 percentage points to 10.7% from 9.4% in 2024.

Greater China

Sales for the adidas brand in Greater China increased 13% on a currency-neutral basis. This development reflects double-digit growth in both Lifestyle and Performance. In Lifestyle, both Originals and Sportswear grew at a double-digit rate. Increases in Performance were driven by double-digit growth in Running and Football, alongside gains in a broad range of other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 9%. In euro terms, sales increased 5% to € 3,623 million as currency translation effects weighed on reported revenue growth (2024: € 3,459 million).

Net sales in Greater China

+13% Brand adidas c.n.

€ 3,623 million

Greater China at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	3,623	3,459	5%	9%	13%
Gross profit	1,904	1,717	11%	—	—
Gross margin	52.6%	49.6%	2.9pp	—	—
Operating expenses	1,103	1,012	9%	—	—
Operating expenses in % of net sales	30.5%	29.3%	1.2pp	—	—
Operating profit	802	714	12%	—	—
Operating margin	22.1%	20.6%	1.5pp	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in Greater China improved by 2.9 percentage points to 52.6% from 49.6% in 2024, reflecting reduced discounting, lower sourcing costs, and a better business mix. Operating expenses grew 9% to € 1,103 million (2024: € 1,012 million) due to increases in both marketing expenditure and operating overhead costs. Operating expenses as a percentage of sales increased 1.2 percentage points to 30.5% compared to 29.3% in the prior year. Operating profit in Greater China increased 12% to € 802 million versus € 714 million in 2024, while the operating margin improved 1.5 percentage points to 22.1% from 20.6% in 2024.

Emerging Markets

Sales for the adidas brand in Emerging Markets improved 17%. This development reflected broad-based double-digit growth in both Lifestyle and Performance. In Lifestyle, growth was driven by double-digit increases in Originals and high-single-digit growth in Sportswear. Growth in Performance was led by double-digit growth in Football, Running, and Outdoor, alongside increases in several other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 15%. In euro terms, sales were up 6% to € 3,510 million as currency translation effects weighed on reported revenue growth (2024: € 3,310 million).

Net sales in Emerging Markets

+17% Brand adidas c.n.

€ 3,510 million

Emerging Markets at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	3,510	3,310	6%	15%	17%
Gross profit	1,784	1,698	5%	—	—
Gross margin	50.8%	51.3%	(0.4pp)	—	—
Operating expenses	1,083	959	13%	—	—
Operating expenses in % of net sales	30.9%	29.0%	1.9pp	—	—
Operating profit	701	738	(5%)	—	—
Operating margin	20.0%	22.3%	(2.3pp)	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in Emerging Markets decreased by 0.4 percentage points to 50.8% (2024: 51.3%) as the positive effects from lower sourcing costs and a better business mix were more than offset by unfavorable currency effects. Operating expenses were up 13% to € 1,083 million versus € 959 million in 2024, reflecting increases in both marketing expenditure and operating overhead costs. Operating expenses as a percentage of sales were up 1.9 percentage points to 30.9% (2024: 29.0%). Operating profit in Emerging Markets decreased 5.0% to € 701 million from € 738 million in 2024, while the operating margin was down 2.3 percentage points to 20.0% versus 22.3% in 2024.

Latin America

Sales for the adidas brand in Latin America increased 22% on a currency-neutral basis, reflecting broad-based double-digit growth in both Performance and Lifestyle. In Performance, growth was led by double-digit increases in Running, Football, and Training. In Lifestyle, double-digit growth was driven by both Originals and Sportswear. Including Yeezy sales in the prior year, currency-neutral revenues grew by 21%. In euro terms, sales in Latin America improved 6% to € 2,926 million as currency translation effects weighed on reported revenue growth (2024: € 2,772 million).

Net sales in Latin America

+22% Brand adidas c.n.

€ 2,926 million

Latin America at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	2,926	2,772	6%	21%	22%
Gross profit	1,391	1,329	5%	—	—
Gross margin	47.5%	47.9%	(0.4pp)	—	—
Operating expenses	786	717	10%	—	—
Operating expenses in % of net sales	26.9%	25.9%	1.0pp	—	—
Operating profit	609	614	(1%)	—	—
Operating margin	20.8%	22.2%	(1.4pp)	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in Latin America decreased 0.4 percentage points to 47.5% (2024: 47.9%) as the positive effects from lower sourcing costs and better business mix were more than offset by unfavorable currency movements. Operating expenses were up 10% to € 786 million from € 717 million in 2024. This development reflects increases in both marketing expenditure and operating overhead costs. Operating expenses as a percentage of sales increased 1.0 percentage points to 26.9% (2024: 25.9%). Operating profit in Latin America decreased 1% to € 609 million versus € 614 million in 2024. The operating margin decreased 1.4 percentage points to 20.8% from 22.2% in 2024.

Japan/South Korea

Sales for the adidas brand in Japan/South Korea increased 14% on a currency-neutral basis. The increase was driven by double-digit growth in Lifestyle, reflecting double-digit increases in Originals alongside growth in Sportswear. Performance grew at a high-single-digit rate, led by double-digit growth in Running and Football, alongside growth in several other categories. Including Yeezy sales in the prior year, currency-neutral revenues grew by 11%. In euro terms, sales improved 5% to € 1,406 million as currency translation effects weighed on reported revenue growth (2024: € 1,339 million).

Net sales in Japan/South Korea

+14% Brand adidas c.n.

€ 1,406 million

Japan/South Korea at a glance € in millions

	2025	2024	Change	Change (currency-neutral)	Brand adidas Change (currency-neutral)[1]
Net sales	1,406	1,339	5%	11%	14%
Gross profit	740	711	4%	—	—
Gross margin	52.6%	53.1%	(0.5pp)	—	—
Operating expenses	466	428	9%	—	—
Operating expenses in % of net sales	33.2%	32.0%	1.2pp	—	—
Operating profit	305	295	3%	—	—
Operating margin	21.7%	22.0%	(0.3pp)	—	—

1 Excluding Yeezy sales in the prior-year period.

Gross margin in Japan/South Korea decreased by 0.5 percentage points to 52.6% from 53.1% in 2024, as the positive effects from a better business mix and lower sourcing costs were more than offset by unfavorable currency movements. Operating expenses were up 9% to € 466 million (2024: € 428 million), driven by increases in both marketing expenditure and operating overhead costs. Operating expenses as a percentage of sales increased 1.2 percentage points to 33.2% (2024: 32.0%). Operating profit in Japan/South Korea increased 3% to € 305 million versus € 295 million in 2024. The operating margin decreased 0.3 percentage points to 21.7% from 22.0% in 2024.

Outlook

In 2026, we expect macroeconomic challenges as well as geopolitical tensions to persist and uncertainty to remain elevated. At the same time, the strong structural growth of the global sporting goods industry continues to be very supportive for our business. By being a global brand with a local mindset and empowering our markets, as well as leveraging our strong product pipeline, we expect to gain further market share. As a result, we expect to increase adidas' currency-neutral sales at a high-single-digit rate in 2026. With a focus on delivering high-quality growth and further investments in our business, we anticipate operating profit to increase to around € 2.3 billion in 2026.

Forward-looking statements

This Management Report contains forward-looking statements that reflect Management's current view with respect to the future development of our company. The outlook is based on estimates that we have made on the basis of all the information available to us at the time of completion of this Annual Report. In addition, such forward-looking statements are subject to uncertainties which are beyond the control of the company. In case the underlying assumptions turn out to be incorrect or described risks or opportunities materialize, actual results and developments may materially deviate (negatively or positively) from those expressed by such statements. adidas does not assume any obligation to update any forward-looking statements made in this Management Report beyond statutory disclosure obligations.

▶ SEE RISK AND OPPORTUNITY REPORT

Global economic growth to moderate in 2026 amid elevated uncertainty[15]

Global gross domestic product (GDP) growth is projected to soften to 2.6% in 2026. The outlook remains subject to considerable uncertainty and is impacted by the fading impact of front-loaded trade activity, evolving geopolitical tensions, and the lingering effects of higher tariffs across major economies. While inflation continues to moderate globally, it remains persistent, leading central banks to maintain a cautious stance on monetary easing. In this environment of elevated economic uncertainty, consumer confidence is expected to remain subdued across many markets, including North America, Europe, and Greater China, as households continue to navigate cost pressures. Advanced economies are expected to grow at a pace of 1.6%, while developing economies are anticipated to expand by 4.0%. Significant downside risks persist, including intensified trade tensions, further geopolitical escalations, supply chain disruptions, commodity price volatility, reacceleration of inflation, and climate-related events.

Sporting goods industry expected to maintain underlying momentum

The global sporting goods industry is expected to maintain its underlying momentum in 2026 and beyond. This development is driven by increasing sports participation rates and growing health and fitness awareness, ongoing popularity of athletic as well as sport-inspired products for everyday use, and growing demand for comfort propositions. Global excitement around the Winter Olympics and Paralympics as well as the FIFA World Cup 2026 is expected to boost category visibility, consumer engagement, and retail activity. At the same time, elevated uncertainty and macroeconomic challenges continue to impact the sporting goods industry, too. While inflation is moderating, real disposable incomes remain under pressure and consumer sentiment subdued in major markets. Geopolitical tensions, tariff-related developments, and

[15] Source: World Bank Global Economic Prospects.

volatile commodity prices may pose additional headwinds. In this environment, companies' ability to adapt fast and locally to changing consumer preferences and economic conditions will continue to be crucial.

2026 Outlook

	2025	2026 Outlook
Net sales	€ 24,811 million	to increase at a high-single-digit rate[1]
Operating profit	€ 2,056 million	to increase to a level of around € 2.3 billion
Average operating working capital in % of sales	23.0%	between 22% and 23%
Capital expenditure	€ 477 milion	around € 500 million

1 Currency-neutral.

Currency-neutral sales to increase at a high-single-digit rate in 2026

We expect the company’s currency-neutral sales to increase at a high-single-digit rate in 2026. Further market share increases will be driven by our market empowerment with a clear focus on local consumer preferences combined with a strong product pipeline across product divisions and categories as well as much improved retailer relationships. In addition, impactful marketing initiatives will also add to our brand momentum and fuel sales growth.

Strong growth expected in all market segments

Our market shares are expected to increase in all market segments in 2026. We expect currency-neutral sales to grow at a low-double-digit rate in North America, Greater China, Emerging Markets, Latin America, and Japan/South Korea. Currency-neutral revenues in Europe are projected to increase at a mid-single-digit rate.

Operating profit to increase to around € 2.3 billion

We will continue to invest into marketing and sales activities to drive brand momentum and high-quality growth. These investments include global as well as local sports, activations around major events, support for product introductions, and initiatives to further strengthen retailer relationships. Despite anticipated headwinds from higher US tariffs and unfavorable currency developments, we expect profitability to further improve in 2026 and project operating profit to reach a level of around € 2.3 billion.

Average operating working capital of between 22% and 23%

In terms of working capital, our focus will remain on enabling top-line growth through good product availability and healthy inventory composition across our markets. In addition, we continue to support our retail and manufacturing partners. Consequently, we forecast average operating working capital as a percentage of sales to reach a level of between 22% and 23% in 2026.

Capital expenditure of around € 500 million

In addition to leveraging the company's existing state-of-the-art infrastructure, we will continue to invest into our business. As a result, capital expenditure is expected to reach a level of around € 500 million in 2026.

Management proposes dividend payment of € 2.80 per share

The adidas AG Executive and Supervisory Boards will recommend paying a dividend of € 2.80 per dividend-entitled share to shareholders at the Annual General Meeting on May 7, 2026. This represents an increase of 40% compared to the prior year (2025: € 2.00). The proposal reflects the company's better-than-expected performance in 2025, its strong financial profile, and Management's confident outlook for the future. The dividend payout of € 500 million (2025: € 357 million) reflects a payout ratio of 36% of net income from continuing operations, within the target range as defined in our Financial Policy. Total cash returns to shareholders are expected to amount to up to € 1.5 billion in 2026 as the company, in addition to the dividend payout of € 500 million, plans to buy back shares worth up to € 1 billion this year. adidas intends to cancel the repurchased shares.

▶ SEE OUR SHARE

Risk and Opportunity Report

In order to remain competitive and ensure sustainable success, adidas consciously takes risks and continuously explores and develops opportunities. Our risk and opportunity management principles and system provide the framework for our company to conduct business in a well-controlled environment.[16]

Risk and opportunity management principles

The key objective of the risk and opportunity management is to support business success and protect the company as a going concern through an opportunity-focused but risk-aware decision-making framework. Our Enterprise Risk Management Policy outlines the principles, processes, tools, risk areas, key responsibilities, reporting requirements, and communication timelines within our company. Risk and opportunity management is a company-wide activity that utilizes key insights from the members of the Executive Board as well as from global and local business units and functions. We define risk as the potential occurrence of an external or internal event (or series of events) that may negatively impact our ability to achieve the company's business objectives or financial goals. Opportunity is defined as the potential occurrence of an external or internal event (or series of events) that can positively impact the company's ability to achieve its business objectives or financial goals.

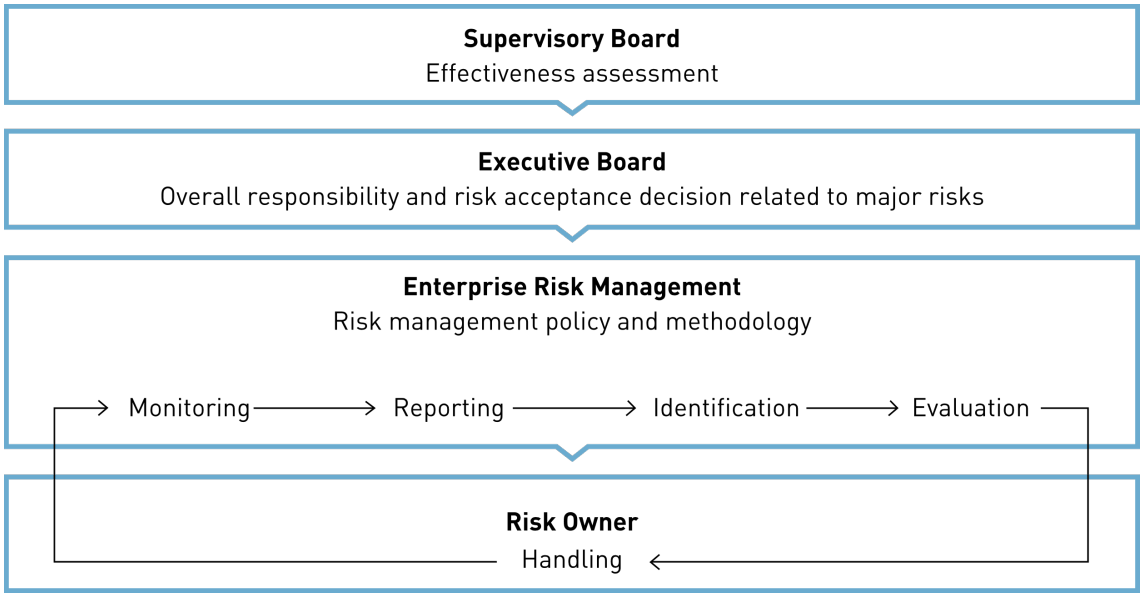
Risk and opportunity management system

The Executive Board has overall responsibility for establishing a risk and opportunity management system that ensures comprehensive and consistent management of all relevant risks and opportunities. The Enterprise Risk Management department governs, operates, and develops the company's risk and opportunity management system and is the owner of the centrally managed risk and opportunity management process on behalf of the Executive Board. The Supervisory Board is responsible for monitoring the effectiveness of the risk management system. These duties are undertaken by the Supervisory Board's Audit Committee. Working independently of all other functions of the organization, the Internal Audit department provides objective assurance to the Executive Board and the Audit Committee regarding the adequacy and effectiveness of the company's risk and opportunity management system on a regular basis. In addition, the Internal Audit department includes an assessment of the effectiveness of risk management processes and compliance with the company's Enterprise Risk Management Policy as part of its regular auditing activities with selected adidas subsidiaries or functions each year.

Our risk and opportunity management system is based on frameworks for enterprise risk management and internal controls developed and published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Additionally, we have adapted our risk and opportunity management system to more appropriately reflect the structure as well as the culture of the company. This system focuses on the identification, evaluation, handling, systematic reporting, and monitoring of risks and opportunities. Furthermore, we use a quantitative concept for risk capacity and risk appetite. Risk capacity is a liquidity-based measure and represents the maximum level of risk adidas AG can take before being threatened with insolvency. Risk appetite refers to the maximum level of risk the company is willing to take and is linked to the company's liquidity targets.

[16] The below sections contain disclosures pursuant to ESRS 2, paragraph 48f.

Risk and opportunity management system



Our risk and opportunity management process comprises the following steps:

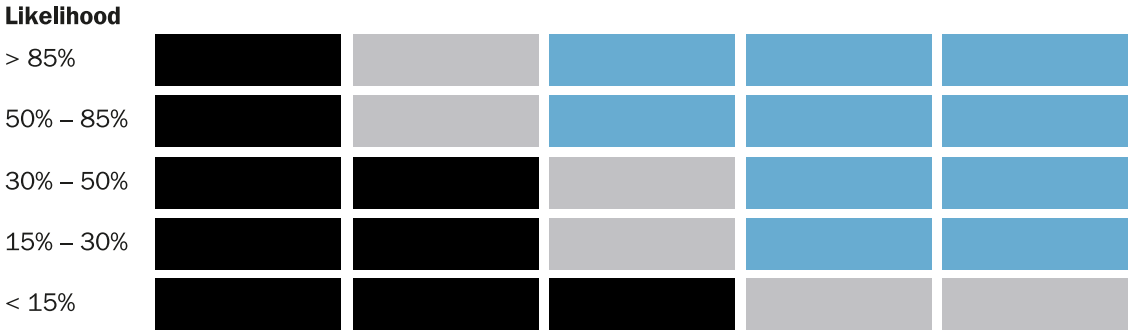
— Risk and opportunity identification: adidas continuously monitors the macroeconomic environment and developments in the sporting goods industry as well as internal processes to identify risks and opportunities as early as possible. On a semiannual basis, the Enterprise Risk Management department conducts a survey among senior management and selected middle management to ensure an effective bottom-up identification of risks and opportunities. Enterprise Risk Management has also defined categories for risks and opportunities to assist in systematic identification. In addition, adidas uses various instruments in the risk and opportunity identification process, such as primary qualitative and quantitative research, including trend scouting and consumer surveys, as well as feedback from our business partners. These efforts are supported by global market research and competitor analysis. Through this process, we seek to identify the markets, categories, consumer target groups, and product styles that show the most potential for future growth at a local and global level. Equally, our analysis focuses on those areas that are at risk of saturation or exposed to increased competition or changing consumer tastes. Furthermore, we consider topics related to environmental, social, and governance aspects in our overall identification process as well as in the following process steps. Our risk and opportunity identification process is not only limited to external risk factors or opportunities but also includes an internal perspective that considers company culture, processes, projects, human resources, and compliance aspects.

— Risk and opportunity evaluation: We assess identified risks and opportunities individually according to a systematic evaluation methodology, which allows adequate prioritization as well as allocation of resources. Risk and opportunity evaluation is part of the responsibility of the Enterprise Risk Management department supported by subject matter experts as well as internal and external data. The Enterprise Risk Management department also conducts assessments with the Executive Board members and senior leaders to validate the evaluation of most relevant risks and opportunities.

According to our methodology, risks and opportunities are evaluated by looking at two dimensions: the potential impact and the likelihood that this impact materializes. Based on this evaluation, we classify risks and opportunities into three categories: minor, moderate, and major.

The potential impact is evaluated using five categories: marginal, low, medium, high, and significant. These categories represent financial or equivalent non-financial measurements. The financial measurements are based on the potential effect on the company's net income and cash flow. Non-financial measurements used are the degree to which the company's reputation, brand image, and employer value proposition are affected. Moreover, the degree of damage to people's health and safety, caused by non-compliance with legal regulations or gross negligence can be considered. Likelihood represents the possibility that a given risk or opportunity may materialize with the specific impact. The likelihood of individual risks and opportunities is evaluated on a percentage scale divided into five categories.

Risk and opportunity evaluation categories



	Marginal	Low	Medium	High	Significant
Financial equivalent[1]	> € 1 million - € 10 million	> € 10 million - € 35 million	> € 35 million - € 60 million	> € 60 million - € 100 million	> € 100 million
Qualitative equivalent	Marginal impact on reputation, e.g., growing negative consumer reactions locally & slightly impaired bargaining power with partners & lower ranking in employer ratings. Minor harm to employees or third parties that doesn't require medical treatment.	Low impact on reputation, e.g., strong increase of negative consumer reactions globally & impaired bargaining power with partners & weaker results in important non-financial external ratings. Minor harm to employees or third parties that requires medical treatment.	Medium impact on reputation, e.g., rejection by specific consumer groups & termination or renegotiation of partnerships & profit warnings. Harm to employees or third parties that leads to hospitalization.	High impact on reputation, e.g., regional consumer boycotts & termination of key partnership & downgrade of credit and analyst ratings & temporary local employee strikes. Serious, life-changing harm to employees or third parties.	Significant impact on reputation, e.g., persisting global consumer boycott & termination of multiple key partnerships & exclusion from key stock indices & long-lasting global employee strikes. Fatalities of employees or third parties.

Potential impact

Risk/opportunity classification: Minor Moderate Major

1 Based on net income and cash flow.

When evaluating risks and opportunities, we also consider the speed of materialization (velocity). In this respect, we differentiate in which financial year risks and opportunities could occur. We consider both gross and net risk in our risk assessments. While the gross risk reflects the inherent risk before any mitigating action, the net risk reflects the residual risk after all mitigating action. On the one hand, this approach allows for a good understanding of the impact of mitigating action taken; on the other hand, it provides the basis for scenario analysis. Our assessment of risks presented in this report only reflects the net risk perspective. We measure the actual financial impact of selected risks and opportunities that materialized against the original assessment on a yearly basis ('back-testing'). In this way, we ensure continuous monitoring of the accuracy of risk and opportunity evaluations across the company, which enables us to continuously improve evaluation methodology based on our findings.

In assessing the potential effect from opportunities, each opportunity is appraised with respect to viability, commerciality, and potential risks. This approach is not only applied to longer-term strategic prospects but also to shorter-term tactical and opportunistic initiatives at the corporate level as well as at the market and brand level. In contrast to the risk evaluation, only the net perspective exists for assessing opportunities.

We aggregate risks and opportunities using a stochastic simulation (Monte Carlo simulation) to determine the company's risk and opportunity portfolio (i.e., the company's aggregated risk position), considering interdependencies of individual risks and opportunities. To identify a potential threat to the company as a going concern, we compare the 2026 risk and opportunity portfolio to the company's defined risk capacity and determine the likelihood that the aggregated risk exceeds the risk capacity; to identify a potential threat to the company's rating, we compare the 2026 risk and opportunity portfolio to the defined risk appetite and determine the likelihood that the aggregated risk exceeds the risk appetite.

— Risk and opportunity handling: Risks and opportunities are treated in accordance with the company's risk and opportunity management principles as described in the Enterprise Risk Management Policy. Risk Owners are in charge of developing and implementing appropriate risk-mitigating action within their area of responsibility. In addition, the Risk Owners need to determine a general risk-handling strategy for the identified risks, which is either risk avoidance, risk reduction with the objective to lower impact or likelihood, risk transfer to a third party or risk acceptance. The decision on the implementation of the respective risk-handling strategy also takes into account the costs in relation to the benefit of any planned mitigating action if applicable. The Enterprise Risk Management department works closely with the Risk Owners to monitor the continuous progress of planned mitigating action and assess the viability of already implemented mitigating action. Depending on the risk class determined by the risk and opportunity evaluation, the authority to make decisions to accept risks resides with the Executive Board, leaders reporting directly to an Executive Board member and the operational management on the next hierarchical level. The decision to accept major risks without taking additional mitigating action can only be made by the entire Executive Board. In its decision-making process, the Executive Board takes into account the risk profile, i.e., the relationship between risk and opportunity portfolio (i.e., the company's aggregated risk position) and risk appetite, as well as risk capacity. To support the Executive Board, the Enterprise Risk Management department defined clear thresholds for the likelihood that the company's aggregated risk exceeds the defined risk appetite and risk capacity. The company's risk appetite must not be exceeded with a likelihood of at least 95%; the company's risk capacity must not be exceeded with a likelihood of at least 99%.

— Risk and opportunity monitoring and reporting: Our risk and opportunity management system aims to increase the transparency of risks and opportunities. As both risks and opportunities are subject to constant change, Risk Owners not only monitor developments but also the adequacy and effectiveness of the current risk-handling strategy on an ongoing basis.

Regular risk reporting takes place half-yearly and consists of a five-step reporting stream:

— Enterprise Risk Management identifies risks and opportunities (with a potential effect on net income and cash flow higher than € 1 million) by conducting a survey among senior management and selected middle management as well as utilizing available information concerning the internal and external environment of the company. In collaboration with subject matter experts, Enterprise Risk Management evaluates, consolidates, and aggregates the identified risks and opportunities (‘bottom-up assessment’).

— Enterprise Risk Management discusses the assessment of most relevant risks and opportunities with the members of the Executive Board and leaders directly reporting to them. The Executive Board members and senior leaders validate the assessment of risks and opportunities in their respective area of responsibility (‘top-down assessment’).

— Enterprise Risk Management provides a consolidated report to the Executive Board summarizing the results of both bottom-up and top-down assessment as well as the risk and opportunity profile to highlight a potential threat to the company’s rating and going concern. The Executive Board reviews the report, jointly agrees on a company assessment of risks and opportunities and decides if Risk Owners are required to take further action.

— Based on the Executive Board’s decision, Enterprise Risk Management creates the final risk and opportunity report that is also shared with the ‘Leadership Group.’

— The Executive Board presents in collaboration with Enterprise Risk Management the final risk and opportunity assessment results to the Audit Committee of the Supervisory Board.

Material changes in previously reported risks and opportunities or newly identified substantial risks and opportunities are also reported outside the regular half-yearly reporting stream on an ad hoc basis to the Executive Board. To further improve the risk culture at adidas, we also offer a risk management training to all our employees through our company intranet.

Compliance management system (adidas Fair Play)

We consider compliance with the law as well as with external and internal regulations to be imperative. The Executive Board sets the tone from the top, and every employee is required to act ethically and in compliance with the law as well as with internal and other external regulations while executing the company’s business. We believe adidas Fair Play will prevent a majority of potential compliance issues. For that reason, we have specific measures to detect and respond to any concerns. We realize, however, that no compliance system can eliminate all violations.

The adidas Chief Compliance Officer (CCO) oversees the company’s Compliance Management System (CMS). We see compliance as all-encompassing, spanning all business functions throughout the entire value chain. Our central Compliance team works closely with Regional Compliance Managers and Local Compliance Officers to conduct a systematic assessment of key compliance risks on a regular basis.

The company's CMS is based on the OECD Principles of Corporate Governance. It refers to the OECD Guidelines for Multinational Enterprises and is designed to:

— support the achievement of qualitative and sustainable growth through good corporate governance,

— reduce and mitigate the risk of financial losses or damage caused by non-compliant conduct,

— protect and further enhance the value and reputation of the company and its brand through compliant conduct, and

— support, together with the HR Employee Relations team, initiatives fighting harassment and discrimination.

The adidas Fair Play Code of Conduct is accessible on our website, includes guidelines for employee behavior in everyday work, and is applicable globally for all business areas.

▶ ADIDAS-GROUP.COM/CODE-OF-CONDUCT

The Fair Play Code of Conduct and our CMS are organized around three pillars: prevent, detect, and respond.

— **Prevent:** The Compliance team regularly reviews and updates the CMS as necessary. In addition to the Fair Play Code of Conduct mentioned above, we also support all initiatives to prevent and fight harassment and discrimination in the workplace. Management also shares compliance-related communication, and the Compliance team together with the Regional Compliance Managers and Local Compliance Officers provides mandatory training to all employees globally during onboarding and in regular, repeated cycles. The Compliance team and partners also provide targeted in-person compliance training as appropriate with senior management and newly promoted or hired senior executives across the globe in order to further enhance the compliance 'tone from the top,' as well as the 'tone from the middle.' We closely monitor the completion rates for these training measures. We also focused on further enhancing cooperation among the Compliance team and the Corporate Internal Audit, the Group Policies, the Internal Controls, and the Enterprise Risk Management departments to align risk assurance.

— **Detect:** adidas has whistleblowing procedures in place to ensure timely detection of potential infringements of statutory regulations or internal guidelines. Employees can report compliance concerns internally to their supervisor, the CCO, Regional Compliance Managers or Local Compliance Officers, the relevant HR Manager, the Employee Relations department, or, where applicable, the Works Council. Employees can also report externally via the independent, confidential Fair Play hotline and website, which also allow for anonymous complaints. The Fair Play hotline and website are available at all times worldwide, including the services of interpreters, if required. They are promoted digitally and with posters to reach all our locations around the world. We comply with the requirements under the German Whistleblower Protection Act, based on Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law.

— **Respond:** Appropriate and timely response to compliance violations is essential. The Compliance team leads all investigations in cooperation with an established team of Regional Compliance Managers and a global network of Local Compliance Officers, with further support from Employee Relations and HR. We track, monitor, and report potential incidents of non-compliance worldwide. Most importantly, insights gained from the investigation of past violations are used to continuously improve the CMS. Where necessary, we react promptly to confirmed compliance violations, through appropriate and effective sanctions ranging from warnings to termination of employment contracts. In 2025, the Compliance team continued to strengthen its relationship with the Employee Relations organization, a key partner in many compliance matters, especially those related to harassment and discrimination.

The company's CCO regularly reports to the Executive Board on the further development of the CMS and on major compliance cases. In addition, the CCO reports to the Audit Committee on a regular basis. In 2025, the CCO attended four meetings of the Audit Committee of the Supervisory Board to report on the further development of the compliance program, major compliance cases, and other relevant compliance topics.

Description of the main features of the internal control and risk management system process pursuant to § 315 section 4 German Commercial Code (Handelsgesetzbuch – HGB)

The accounting-related internal control and risk management system of the company represents a process embedded within the company-wide corporate governance system. It aims to provide reasonable assurance regarding the reliability of the company's external financial reporting by ensuring company-wide compliance with statutory accounting regulations, in particular the IFRS (International Financial Reporting Standards) Accounting Standards and internal consolidated financial reporting policies (Finance Manual). We regard the internal control and risk management system as a process based on the principle of segregation of duties, encompassing various sub-processes in the areas of Accounting, Controlling, Taxes, Treasury, Planning, Reporting, and Legal, focusing on the identification, assessment, mitigation, monitoring, and reporting of financial reporting risks. Clearly defined responsibilities are assigned to each distinct sub-process. The internal control and risk management system serves to identify, assess, limit, and control risks identified in the consolidated financial reporting process that might result in the consolidated financial statements not being compliant with internal and external regulations.

Internal Control over Financial Reporting (ICoFR) aims to provide reasonable assurance regarding the reliability of financial reporting and compliance with applicable laws and regulations. To monitor the effectiveness of ICoFR, the Corporate Internal Audit department, which includes both the Internal Audit and Global Internal Controls functions, regularly reviews accounting-related processes. Additionally, as part of the year-end audit, the external auditor assesses the effectiveness of selected internal controls, including IT controls. The Audit Committee of the Supervisory Board also monitors the effectiveness of ICoFR, with the results reported at least once every year.

All adidas companies are required to comply with the consolidated financial reporting policies (Finance Manual), which are available to all employees involved in the financial reporting process through the company-wide intranet. We update the Finance Manual on a regular basis, dependent on regulatory changes and internal developments. Changes to the Finance Manual are promptly communicated to all adidas companies. Clear policies serve to limit employees' scope of discretion with regard to recognition and valuation of assets and liabilities, thus reducing the risk of inconsistent accounting practices within the company. We aim to ensure compliance with the Finance Manual through continuous adherence to the four-eyes principle in accounting-related processes. In addition, the local manager responsible for the accounting-related process within the respective company and the respective local Managing Director confirm adherence to the Finance Manual and to IFRS Accounting Standards in a signed representation letter to the Accounting department semiannually.

The accounting for adidas companies is conducted either locally or by our Global Business Services. Virtually all the IT Enterprise Resource Planning (ERP) systems used are based on a company-wide standardized SAP system. Following approval by the Finance Director of the respective adidas company, the local financial statements are transferred to a central consolidation system based on SAP Group Reporting. At the corporate level, the regularity and reliability of the financial statements prepared by adidas companies are reviewed by the Accounting and Controlling departments. These reviews include automated validations in the system as well as the creation of reports and analyses to ensure data integrity and adherence to the reporting logic. In addition, differences between current-year and prior-year financial data as well as budget figures are analyzed on a market level. If necessary, adidas seeks the opinion of independent experts to review business transactions that occur infrequently and on a non-routine basis.

After ensuring data plausibility, the centrally coordinated and monitored consolidation process begins, running automatically on SAP Group Reporting. Controls within the individual consolidation steps, such as those relating to the consolidation of debt or of income and expenses, are conducted both manually and system-based, using automatically created consolidation logs. Any inadequacies are remedied manually by systematically processing the individual errors as well as differences and are reported back to the adidas companies. After finalization of all consolidation steps, all items in the consolidated income statement and in the consolidated statement of financial position are analyzed with respect to trends and variances. Unless already otherwise clarified, the adidas companies are asked to explain any identified material deviations.

All financial systems used are protected against malpractice by means of appropriate authorization concepts, approval concepts, and access restrictions. Access authorizations are reviewed on a regular basis and updated if required. The risk of data loss or outage of accounting-related IT systems is minimized through central control and monitoring of virtually all IT systems, centralized management of change processes, and regular data backups.

Furthermore, the adidas internal control and risk management system includes non-accounting-related controls which serve to provide reasonable assurance regarding the effectiveness and efficiency of operations, reliability of non-financial reporting, and compliance with applicable laws and regulations. The internal control and risk management system regarding the non-accounting-related activities focuses also on the identification, assessment, mitigation, monitoring, and reporting of relevant risks. It is as well embedded within the company-wide corporate governance system and encompasses various sub-processes in the areas of Brands, Sourcing, Supply Chain Management, Procurement, IT, Sales, or Human Resources.

All adidas companies are also required to comply with the non-accounting-related policies (‘Policy Manual’), which are available to all employees involved in the various processes through the company-wide intranet and are updated and communicated on a regular basis.

The effectiveness of the non-accounting-related controls is also regularly monitored by the Corporate Internal Audit department and the Global and Market Internal Controls teams. The reporting of internal control testing results to the Audit Committee of the Supervisory Board also includes the effectiveness of non-accounting-related controls.

Nothing came to our attention that would cause us to doubt the adequacy and effectiveness of the entire internal control and risk management system. However, due to the limitations of any internal control and risk management system, absolute certainty about the appropriateness and effectiveness of these systems cannot be guaranteed.[17]

[17] The statement in relation to German Corporate Governance Code A5 was not audited in terms of content as part of the audit of this Group Management Report.

Illustration of risks

This report includes an explanation of financial and non-financial risks that we deem to be most relevant to the achievement of the company's objectives in 2026 and beyond. In this context, we present the risks in a more aggregated form than in our internal reporting. In addition, risks that are currently rated as minor or are not considered relevant or that are not yet known to us could have a negative impact on the achievement of our business objectives or financial goals. Additional information on risks related to environmental, social, and governance aspects is available in our Sustainability Statement. According to our risk assessment methodology, macroeconomic, sociopolitical, and regulatory risks; currency risks; risks related to tax and customs regulations; and risks related to impairment of goodwill are classified as major. The corporate risks overview table illustrates the assessment of all risks described below.

Corporate risks overview

Risk categories	Potential impact	Change (2024 rating)	Likelihood	Change (2024 rating)
Macroeconomic, sociopolitical, and regulatory risks	Significant		30% – 50%	
Currency risks	Significant	Not reported separately in 2024	30% – 50%	Not reported separately in 2024
Risks related to tax and customs regulations	High	↓ (Significant)	15% – 30%	
Risks related to impairment of goodwill	High		15% – 30%	↓ (30% – 50%)
Risks related to media and stakeholder activities	Medium		30% – 50%	
Risks related to consumer demand and product offering	Significant	↑ (High)	< 15%	↓ (15% – 30%)
IT and cybersecurity risks	Significant	↑ (High)	< 15%	↓ (15% – 30%)
Risks related to the competitive and retail environment	Significant		< 15%	
Business partner risks	Significant		< 15%	
Compliance risks	Significant		< 15%	
Hazard risks	Significant		< 15%	
Litigation risks	Significant		< 15%	
Project risks	Significant		< 15%	
Personnel risks	High		< 15%	↓ (15% – 30%)
Order and supply chain management risks	Low	Not reported in 2024	50% – 85%	Not reported in 2024

Macroeconomic, sociopolitical, and regulatory risks

Growth in the sporting goods industry is highly dependent on consumer spending and consumer confidence. Economic downturns, inflation, financial market turbulence, and sociopolitical factors such as geopolitical conflicts, changes of government, civil unrest, pandemics, nationalization, expropriation, or nationalism, in particular in regions where adidas is strongly represented, could therefore negatively impact the company's business activities (up to a potential wind-down of subsidiaries) and top- and bottom-line performance. In addition, substantial changes in the regulatory environment such as trade restrictions, economic and political sanctions, regulations concerning product compliance, social aspects, human rights, environmental, and climate protection regulations could lead to potential sales shortfalls or cost increases.

▶ SEE NOTE 28

To mitigate these macroeconomic, sociopolitical, and regulatory risks, adidas strives to balance sales across key regions and also between developed and emerging markets. We continuously monitor the macroeconomic, political, and regulatory landscape in all our key markets to anticipate potential problem areas, so that we can quickly adjust our business activities accordingly upon any change in conditions.

Potential adjustments may be a reallocation of manufacturing of our products to alternative countries, a reallocation of investments to alternative, more attractive markets, changes in product prices, closure of our own retail stores, more conservative product purchasing, tight working capital management, and an increased focus on cost control.

By building on our leading position within the sporting goods industry and taking into account the interests of our stakeholders, we actively engage in supporting policymakers and regulators in their efforts to liberalize global trade and curtail trade barriers, and to proactively influence and adapt to significant changes in the regulatory environment.

Currency risks

Currency risks are a direct result of multi-currency cash flows within the company, in particular the mismatch of the currencies required for sourcing our products versus the denominations of our sales. Furthermore, translation impacts from the conversion of non-euro-denominated results into the company's functional currency, the euro, might lead to a material negative impact on our company's financial performance.

To mitigate the risk related to fluctuations in currency exchange rates, we utilize a centralized currency risk management system and hedge currency needs for projected sourcing requirements on a rolling basis up to 24 months in advance. In rare instances, hedges are contracted beyond the 24-month horizon.

▶ SEE TREASURY

Risks related to tax and customs regulations

Numerous laws and regulations regarding customs and taxes as well as changes in such laws and regulations affect the company's business practices worldwide. Non-compliance with regulations concerning product imports (including calculation of customs values), intercompany transactions, or income taxes could lead to substantial financial penalties and additional costs as well as negative media coverage and therefore reputational damage, for example in case of understatements or underpayments of corporate income taxes or customs duties. Changes in regulations regarding customs and taxes may also have a substantial impact on the company's sourcing costs or income taxes. Therefore, we also create provisions in accordance with the relevant accounting regulations to account for potential disputes with customs or tax authorities. Due to the current geopolitical situation, we assume in individual cases increasingly aggressive positions taken by tax and customs authorities in audits, which could increase the potential impact of such risks and the likelihood that they materialize. The 'OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting' agreed on a two-pillar solution to address the tax challenges arising from the digitalization of the economy. As of fiscal year 2025, adidas is subject to global minimum taxation. The specific design and application of this tax may change in the future and could lead to higher income taxes.

We seek to manage tax and customs risks in a balanced way that bears an appropriate relationship to the operating structure, commercial and economic substance, and other business risks. To proactively manage such risks, we constantly seek expert advice from specialized independent law and tax advisory firms in areas such as process design, transaction advisory, compliance, and tax or customs audits. Processes are in place requiring that attention is regularly directed to potential areas of tax or customs risk (e.g., a quarterly tax risk questionnaire) and the corporate tax and customs teams are involved in critical business transactions. Compliance with global tax and customs policies and controls is monitored by the Corporate Tax and Customs teams, internal controls experts and the Internal Audit department. We closely monitor changes in legislation to properly adopt regulatory requirements regarding customs and taxes; apply any available and applicable guidance from tax authorities and organizations such as the OECD, the World Customs Organization, and the World Trade Organization; and seek guidance from individual authorities, as appropriate, which may include requesting tax rulings from a tax authority. In addition, our internal legal,

customs, and tax teams advise our operational management teams to ensure appropriate and compliant business practices. Our specialized staff receive adequate training for their role and non-tax, or non-customs staff are made aware of potential tax and customs matters relevant to their roles. Furthermore, we work closely with customs authorities and governments worldwide to make sure we adhere to customs and trade regulations at import and export to ensure the availability and obtain the required clearance of products to fulfill sales demand.

Risks related to impairment of goodwill

Our balance sheet carries book values in goodwill. Deterioration in the business performance, and particularly in future business prospects, as well as significant exchange rate fluctuations could require corrections of the book values by incurring impairment charges. In addition, increases in market interest rates could trigger increases in discount rates used in our impairment test for goodwill and require impairment charges. An impairment charge would be a purely accounting, non-cash effect impacting the company's operating result.

▶ SEE NOTE 11

Risks related to media and stakeholder activities

Adverse or inaccurate media coverage on our products or business practices (including topics related to social, environmental, and governance) as well as negative social media discussion may significantly harm adidas' reputation and brand image, lead to public misperception of the company's business performance, and eventually result in a sales slowdown. Similarly, certain activities on the part of key stakeholders (e.g., non-governmental organizations, governmental institutions) could cause reputational damage, distract top management, and disrupt business activities.

To mitigate these risks, we pursue proactive, open communication and engagement with key stakeholders (e.g., consumers, media, brand partners, the financial community, non-governmental organizations, governmental institutions) on a continuous basis. In addition, we have established clear crisis communication processes to ensure a quick and effective response to adverse developments. We constantly strengthen our social media capabilities and utilize various digital newsrooms around the globe that enable continuous monitoring of social media content related to the company's products and activities and allow early management of potentially damaging social media discussion. On a case-by-case basis, we seek external advice from experts in communication and stakeholder management.

Risks related to consumer demand and product offering

Our success largely depends on our ability to continuously create new, innovative, and more sustainable products. Consumer demand changes can be sudden and unexpected, particularly when it comes to the more fashion-related part of our business. Therefore, we face a risk of short-term revenue loss in cases where we are unable to anticipate consumer demand or respond quickly to changes. In addition, creating and offering products that do not resonate with consumers and our retail partners is a critical risk to the success of our brands, especially considering our focus on key product franchises. This risk could be exacerbated if our marketing activities and brand campaigns fail to generate consumer excitement. Even more critical in the long term, however, are the risks of continuously overlooking new trends and failing to continuously introduce and successfully commercialize new product innovation.

To mitigate these risks, identifying and responding to shifts in consumer demand as early as possible is a key responsibility of our brand and sales organizations and, in particular, of the respective Risk Owners. Therefore, we utilize extensive primary and secondary research tools as outlined in our risk and opportunity identification process. By putting the consumer at the center of our decision-making, we intend to create higher brand advocacy and attract new consumers. We continuously expand our consumer analytics efforts

to read and quickly react to changes in demand or trend shifts. In addition, direct touchpoints with consumers via our own digital channels, such as the adidas app, and direct communication with consumers on social media platforms strengthen our understanding of consumer preferences and behavior and, as a result, help us to reduce our vulnerability to changes in demand. Through continuous monitoring of sell-through data and disciplined product life-cycle management, in particular for our major product franchises, we are able to better detect demand patterns and prevent excess supply. By leveraging our promotion partnerships and by carefully orchestrating launch events across markets and channels, we intend to maintain brand desire and consumer demand at a constantly high level. Utilizing external insights and capabilities in product creation helps us strengthen our product offering and drive consumer demand, brand desire, market share, and profitability.

IT and cybersecurity risks

Theft, leakage, corruption, or unavailability of critical information (e.g., consumer data, employee data, product data) and systems could lead to reputational damage, regulatory penalties, or the inability to perform key business processes. Key business processes, including product marketing, order management, warehouse management, invoice processing, customer support, and financial reporting, are all dependent on IT systems. Significant outages, application failures, or cybersecurity threats to our infrastructure, or that of our business partners, could therefore result in reputational damage, regulatory penalties, or cause considerable business disruption or impact to business-critical data.

To mitigate these risks, our Information Security organization proactively drives system preventive maintenance, service continuity planning, adherence to Information Security policies (aligned with the NIST SP 800-53 Rev. 5 framework), and continuous execution of a comprehensive information security program aligned with a zero-trust and cloud strategy. Information security architecture design, application security, governance, data security, employee awareness programs, and a 24x7 incident response help us to adequately protect the company. We have also secured limited insurance coverage for damage resulting from cybersecurity incidents.

Risks related to the competitive and retail environment

Changes in the competitive landscape and the retail environment could impact the company's success. Strategic alliances among competitors or retailers, the increase in retailers' own private-label businesses and intense competition for consumers, production capacity, and promotion partnerships between well-established industry peers and new market entrants pose a substantial risk to adidas. This could lead to harmful competitive behavior, such as sustained periods of heavy discounting in the marketplace or intense bidding for promotion partnerships. Failure to recognize and respond to consolidation in the retail industry could lead to increased dependency on particular retail partners, reduced bargaining power, and, consequently, considerable margin erosion. Sustained pricing pressure in key markets could threaten the company's financial performance and the competitiveness of our brands. Aggressive competitive practices could also drive increases in marketing costs and market share losses, thus hurting the company's profitability and market position. The inability to adjust our distribution strategy in a timely manner to a changing retail industry, which is experiencing continuous substitution of physical retail stores by digital commerce platforms as well as increasing connectivity between physical and digital retail, could result in sales and profit shortfalls. A decline in the attractiveness of particular shopping locations, such as shopping malls, could lead to sales shortfalls in our customers' and our own stores, higher inventory in the marketplace, increased clearance activity, and margin pressure.

To mitigate these risks, we continuously monitor and analyze information on our competitors and markets in order to be able to anticipate unfavorable changes in the competitive environment rather than merely reacting to such changes. This enables us to proactively adjust our marketing and sales activities (e.g.,

product launches or selective pricing adjustments) when needed. We also continuously and closely monitor numerous indicators (e.g., order placement, sell-through rates at the point of sale, average selling prices, discounts, store traffic) that help us identify changes in the retail environment and quickly take appropriate action such as closing or remodeling our own stores. We constantly adjust our segmentation strategies to ensure that the right product is sold at the right point of sale at an appropriate price. Continuous investment in research and development ensures that we remain innovative and distinct from competitors. We also pursue a strategy of entering into long-term agreements with key promotion partners. In addition, our product and communication initiatives are designed to increase brand desire, drive market share growth, and strengthen our brand's market position.

Business partner risks

adidas interacts and enters into partnerships with various third parties, such as athletes, creative partners, innovation partners, retail partners, or suppliers of goods or services. As a result, the company is exposed to a multitude of business partner risks.

We work with strategic partners in various areas of our business (e.g., product creation, manufacturing, research, and development) or distributors in a few selected markets whose approach might differ from our own business practices and standards, which could also negatively impact the company's business performance and reputation. Similarly, failure to maintain strong relationships with our partners could negatively impact the company's sales and profitability. Risks may also arise from a dependency on particular partners. For example, the overdependency on a supplier or customer increases the company's vulnerability to delivery and sales shortfalls, respectively, and could lead to significant margin pressure. Business partner default (including insolvency) or other disruptive events such as strikes may negatively affect the company's business activities and result in additional costs and liabilities as well as lower sales for the company. Unethical business practices or improper behavior on the part of business partners could have a negative spillover effect on the company's reputation, lead to higher costs or liabilities or even disrupt business activities.

To mitigate business partner risks, adidas has implemented various measures. For example, we generally include clauses in contractual agreements with partners that allow us to suspend or even terminate our partnership in case of improper or unethical conduct. In addition, we work with a broad portfolio of promotion partners to reduce the dependency on the success and popularity of a few individual partners. We utilize a broad distribution strategy, which includes our direct-to-consumer business to reduce the risk of overreliance on key customers. Specifically, no single customer accounted for more than 5% of the company's sales in 2025. To reduce risk in the supply chain, we work with suppliers who demonstrate reliability, financial stability, quality, and innovation. Furthermore, in order to minimize any potential negative consequences such as a violation of our Workplace Standards by our suppliers, we enforce strict control and inspection procedures at our suppliers and also demand adherence to social and environmental standards throughout our supply chain. In addition, we have selectively bought insurance coverage for the risk of business interruptions caused by physical damage to suppliers' premises. To reduce supplier dependency, the company follows a strategy of diversification. In this context, adidas works with a broad network of suppliers in different countries and, for the vast majority of its products, does not have a single-sourcing model.

Compliance risks

As a globally operating company, adidas is subject to various laws and regulations. Non-compliance with such laws and regulations could lead to penalties and fines and cause reputational damage. For example, non-compliance with laws and regulations concerning data protection and privacy, such as the EU General Data Protection Regulation (GDPR), may result in substantial fines. In addition, failure to comply with data

protection and privacy regulations could cause reputational damage and result in a loss of consumer trust in our brands. We also face the risk that members of top management and our employees breach rules and standards that guide appropriate and responsible business behavior. This includes the risks of fraud, financial misstatements or manipulation, anti-competitive business practices, bribery, corruption, discrimination, and harassment in the workplace.

Our Compliance Management System (CMS) helps us to prevent, detect, and adequately respond to these risks. Our Global Policy Manual provides a framework for basic work procedures and processes, and our Fair Play Code of Conduct stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems where they conduct company business. In addition, our Regional Compliance Managers and Local Compliance Officers guide and advise our operating managers regarding fraud and corruption topics. Furthermore, we utilize controls such as segregation of duties in IT systems and data analytics technology to prevent or detect fraudulent activities. We are also working with external partners and law firms to ensure we are informed about legal requirements across the globe, and we take appropriate action to ensure compliance. To mitigate the risk of non-compliance with laws and regulations concerning data protection and privacy, we train our employees and introduced global privacy principles and standards. This framework applies to all adidas businesses worldwide and sets our expectations of third-party business partners for managing personal information for or on behalf of adidas. Our Global Privacy Officer, the Global Privacy department, and local privacy experts drive compliance with laws and regulations and the company framework, which is updated regularly to reflect new requirements and improvements.

Hazard risks

As climate change intensifies, the likelihood and intensity of natural disasters such as storms, floods, wildfires, droughts, pandemics, or heat waves increases, and so does adidas' potential risk. In addition, our business activities could be impacted by other hazards such as port congestions, strikes, riots, armed conflicts, or terrorist attacks. All of the above could damage our offices, stores, or distribution centers or disrupt our operational processes (e.g., sourcing, logistics) leading to loss of sales, higher cost, a decrease in profitability, and physical injury.

To manage and mitigate these risks, we continuously monitor potential threats and have implemented business continuity plans including but not limited to fallback solutions for transportation, dynamic capacity management of containers and carriers, and reallocation of production. We also maintain high safety standards in all our locations and have secured insurance coverage for property damage and business interruptions.

Litigation risks

adidas may be involved in legal disputes and proceedings in different jurisdictions. For example, despite a rigid internal clearance process, legal steps may be taken against adidas due to the company's use of certain technologies or trademarks that are protected by a third party's intellectual property rights. These actions may result in, among others, the company having to stop using certain technologies or designs, imposed royalty payment obligations, the withdrawal of products from certain markets, legal costs, or reputational damage. In particular, in commercial disputes involving the company, third parties may also claim financial damages, including lost profits, as a result of an alleged breach of contract by the company.

Our Legal team actively defends adidas' intellectual property rights and regularly communicates with all relevant internal business partners to ensure that our products, including our designs and other innovations, are cleared and adequately protected prior to use. We may retain specialized external counsel (and other advisors, if needed) in case legal action is taken against the company.

Project risks

To effectively support further business growth and improve efficiency, adidas continuously invests in new projects such as the creation, implementation, expansion, harmonization, or modernization of IT systems, distribution centers, or office buildings. Ineffective project management could delay the execution of critical projects and lead to higher expenditures. Inadequate project planning and controlling as well as executional mistakes or ineffective change management could cause inefficiencies, delays, or business disruption, resulting in higher costs and sales shortfalls. Inappropriate project governance, prioritization, and oversight of the project portfolio may lead to suboptimal resource allocation and undesired project results.

We manage projects utilizing reviews by project teams as well as project steering committees to evaluate the progress, quality, and costs of those projects on a regular basis. This approach allows early detection of project risks and quick implementation of corrective action or timely cancellation of projects with a low chance of success. To ensure true end-to-end management of key projects we have established a network of program and project management departments across all main functions. We also work with external partners for project management support in areas where we do not have the required expertise or experience in-house.

Personnel risks

Achieving the company's strategic and financial objectives is highly dependent on our employees and their talents. In this respect, strong leadership and a performance-enhancing culture are critical to the company's success. Therefore, ineffective leadership as well as the failure to maintain a performance-oriented culture that fosters inclusion and belonging and strong employee engagement among our workforce could substantially impede our ability to achieve our goals. An ineffective, unbalanced, or insufficient allocation of resources to business activities as well as improper planning and untimely execution of reorganization and transformation initiatives may reduce employee engagement, cause business disruption and inefficiencies, and may negatively affect business performance. In addition, global competition for highly qualified personnel remains fierce. As a result, the loss of key personnel in strategic positions and the inability to identify, recruit, and retain highly qualified and skilled talent who best meet the specific needs of our company pose risks to our business performance.

We are taking various measures to ensure that we maintain a culture that fosters inclusion and belonging. Through several specialized programs, including employee training, inclusion and belonging are embedded in our organization. To ensure effective leadership across the company we offer a portfolio of leadership development experiences designed for every level of management across all markets and functions. To optimize staffing levels and resource allocation (i.e., having the right people with the right skill sets in the right roles at the right time), we adjust resource allocation where required to reflect developments in business performance, the economic environment, and our company's strategic priorities. Organizational transformations and reorganizations are supported by change activations with our leadership teams and organizational design consultancy. We continuously invest in improving employer branding activities, and our global recruiting organization constantly enhances our internal and external recruiting services and capabilities. Our global succession management helps create internal talent pipelines for critical leadership positions and therefore reduces succession risk.

Risks related to order and supply chain management

The prices of raw materials used as well as the labor and manufacturing costs of our production partners may be subject to fluctuations and could negatively affect our gross margin. The same applies to freight costs that can be influenced, for example, by overall economic demand, fuel costs, or geopolitical events. Furthermore, changes in consumer demand for certain products in certain markets can occur unexpectedly and may lead to capacity bottlenecks or overcapacity at our production partners or in our distribution centers.

To minimize these risks, adidas uses a wide range of different measures. In order to provide price stability and predictability, we continuously monitor the development of relevant cost components (territory-specific in some cases) and also negotiate fixed seasonal material prices with our production partners, which are only renegotiated in exceptional cases. The use of new materials or advanced manufacturing techniques can lead to cost efficiencies. We also enter into long-term contracts with our logistics partners and carry out scenario planning for possible disruptions to important transport routes. Our comprehensive network of own and third-party distribution centers enables us to utilize capacity effectively and supports the reliable and timely delivery of our products to our consumers and wholesale customers.

Illustration of opportunities

In this report, we illustrate financial and non-financial opportunities considered most relevant in 2026 and beyond. In this context, we present the opportunities in a more aggregated form than in our internal reporting. In addition, opportunities that are currently rated as minor or are not considered relevant or that are not yet known to us could have a positive impact on the achievement of our business objectives or financial goals. Additional information on opportunities related to environmental, social, and governance aspects is available in our Sustainability Statement. According to our assessment methodology, opportunities related to consumer demand and product offering; currency opportunities; and macroeconomic, sociopolitical, and regulatory opportunities are considered major. The assessment is illustrated in the corporate opportunities overview table.

Corporate opportunities overview

Opportunity categories	Potential impact	Change (2024 rating)	Likelihood	Change (2024 rating)
Opportunities related to consumer demand and product offering	Significant		30% – 50%	
Currency opportunities	Significant	Not reported separately in 2024	30% – 50%	Not reported separately in 2024
Macroeconomic, sociopolitical, and regulatory opportunities	Significant		15% – 30%	↓ (30% – 50%)
Personnel opportunities	Medium		15% – 30%	

Opportunities related to consumer demand and product offering

Well-executed campaigns and marketing initiatives could increase brand desire and consumer appeal, which may drive full-price sell-through and result in higher-than-expected sales and profit. In addition, outstanding competitive performance of promotion partners such as individual athletes, club teams, or national teams may further increase their popularity among consumers. As a result, adidas may generate higher sales of signature footwear or licensed apparel and accessories. We believe that our continued focus on product innovation and the ability to fully commercialize such innovation through an attractive product offering that resonates with consumers and considers global as well as local trends could provide further upside potential both in terms of sales and profit. In that respect, we see untapped commercial potential particularly for our Lifestyle franchises as well as our Running business.

Currency opportunities

Favorable exchange rate developments can potentially have a positive impact on the company's financial results. Translation effects from the conversion of non-euro-denominated results into our company's functional currency, the euro, might also positively impact our company's financial performance.

Macroeconomic, sociopolitical, and regulatory opportunities

Positive developments in the macroeconomic or sociopolitical environment could strengthen consumer sentiment and purchasing power. Legislative and regulatory changes such as the elimination of trade barriers due to free trade agreements can create cost savings or potentially open up new channels of distribution and, as a result, positively impact profitability in the mid to long term.

Personnel opportunities

Further strengthening a performance-oriented culture that fosters inclusion and belonging as well as leadership accountability and clear values in the workplace could lead to increased diversity of thought, increased creativity and innovation, and higher employee satisfaction and engagement. This may positively impact the company's financial performance. A workforce that includes diverse talent in all its forms and reflects the diversity of our customers and consumers helps us better serve the communities we work in and strengthens brand reputation among our consumers, which could potentially create a competitive advantage and positively impact top- and bottom-line performance.

Management Assessment of Performance, Risks and Opportunities, and Outlook

Assessment of performance versus targets

We communicate our financial targets on an annual basis. We also provide updates throughout the year as appropriate. 2025 was a successful year for adidas, and we performed better than initially expected, despite the external environment being characterized by macroeconomic challenges and elevated uncertainty. We were able to upgrade our guidance in October, reflecting continued brand momentum, the better-than-expected business performance, as well as the company's successful efforts to partly mitigate the additional costs resulting from higher US tariffs. Ultimately, our 2025 financial results also exceeded our latest guidance from October on both the top and bottom line.

▶ SEE INCOME STATEMENT

Company targets versus actual key metrics

	2024 Results	2025 Initial Targets[1]	2025 Updated Targets[2]	2025 Results	2026 Outlook
Currency-neutral net sales development	12%	to increase at a high-single-digit rate	to increase by around 9%	10%	to increase at a high-single-digit rate
Operating profit	€ 1,337 million	to increase to a level of between € 1.7 billion and € 1.8 billion	to increase to a level of around € 2.0 billion	€ 2,056 million	to increase to a level of around € 2.3 billion
Average operating working capital in % of net sales	19.7%	between 21% and 22%	between 21% and 22%	23.0%	between 22% and 23%
Capital expenditure	€ 540 million	around € 600 million	around € 600 million	€ 477 million	around € 500 million

1 As published on March 5, 2025.
2 As published on October 21, 2025.

In 2025, revenues for the adidas brand increased 13% on a currency-neutral basis. Having completed the sale of the remaining Yeezy inventory in 2024, the company's results for 2025 do not include any Yeezy revenues (2024: around € 650 million). Including Yeezy sales in the prior year, currency-neutral revenues increased 10%. This was better than our initial expectation (increase at a high-single-digit rate) and also ahead of our latest guidance provided in October (increase by around 9%). Our currency-neutral top-line development reflects double-digit net sales growth for the adidas brand in all markets in 2025: Europe (+10%), North America (+10%), and Greater China (+13%) grew revenues at a low-double-digit rate, while Latin America (+22%), Emerging Markets (+17%), and Japan/South Korea (+14%) recorded even faster growth.

Our operating profit reached € 2,056 million in 2025, ahead of our latest guidance of around € 2.0 billion provided in October and significantly better than our initial expectation (to increase to a level of between € 1.7 billion and € 1.8 billion). Having completed the sale of the remaining Yeezy inventory in 2024, there was no Yeezy contribution to the company's operating profit in 2025 (2024: around € 200 million).

▶ SEE INCOME STATEMENT

Average operating working capital as a percentage of sales increased 3.3 percentage points to 23.0%, above the guidance of between 21% and 22%, driven by the company's operating working capital investments. Capital expenditure decreased 12% to € 477 million, below our guidance of a level of around € 600 million.

▶ SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

Beyond our financial performance, we also actively monitor other KPIs. These other KPIs include, among others, the share of women in leadership positions as well as the carbon intensity per product. With 41% female representation in leadership positions in 2025, we remain committed to achieving a level of 50% by 2033. CO_2e emissions per product decreased by 4% in 2025, thereby achieving our ambition to reduce carbon intensity per product by 9% between 2022 and 2025.

▶ SEE SUSTAINABILITY STATEMENT ▶ SEE ESRS S1 – OWN WORKFORCE ▶ SEE ESRS E1 – CLIMATE CHANGE

Assessment of overall risks and opportunities

Our Risk Management team aggregates all risks and opportunities identified through the half-yearly risk and opportunity assessment process to determine the company's risk and opportunity portfolio (i.e., the company's aggregated risk position). Results from this process are analyzed and reported to the Executive Board accordingly. The Executive Board discusses and assesses risks and opportunities on a regular basis and takes into account the relationship between the risk and opportunity portfolio (i.e., the company's aggregated risk position) and risk appetite as well as risk capacity in its decision-making. Compared to the prior year, our assessment of certain risks and opportunities has changed in terms of likelihood of occurrence and/or potential financial impact. Our risk and opportunity aggregation using a Monte Carlo simulation determined that the company's aggregated risk position does not exceed the company's risk capacity threshold with a likelihood of at least 99%. Therefore, we do not foresee any material jeopardy to the viability of the company as a going concern.

▶ SEE RISK AND OPPORTUNITY REPORT

Assessment of financial outlook

In 2026, we expect macroeconomic challenges as well as geopolitical tensions to persist and uncertainty to remain elevated. At the same time, the strong structural growth of the global sporting goods industry continues to be very supportive for our business. By being a global brand with a local mindset and empowering our markets, as well as leveraging our strong product pipeline, we expect to gain further market share. As a result, we expect to increase adidas' currency-neutral sales at a high-single-digit rate in 2026. With a focus on delivering high-quality growth and further investments in our business, we anticipate operating profit to increase to around € 2.3 billion in 2026.

▶ SEE OUTLOOK

We believe our outlook for 2026 realistically describes the underlying development of the company. However, the outlook for 2026 as outlined in this report is subject to change. Ongoing uncertainties regarding macroeconomic challenges, the impact from geopolitical conflicts, the development of consumer sentiment, and potential supply-chain disruptions represent risks to the achievement of our stated financial goals and aspirations. No other material event between the end of 2025 and the publication of this report has altered our view.

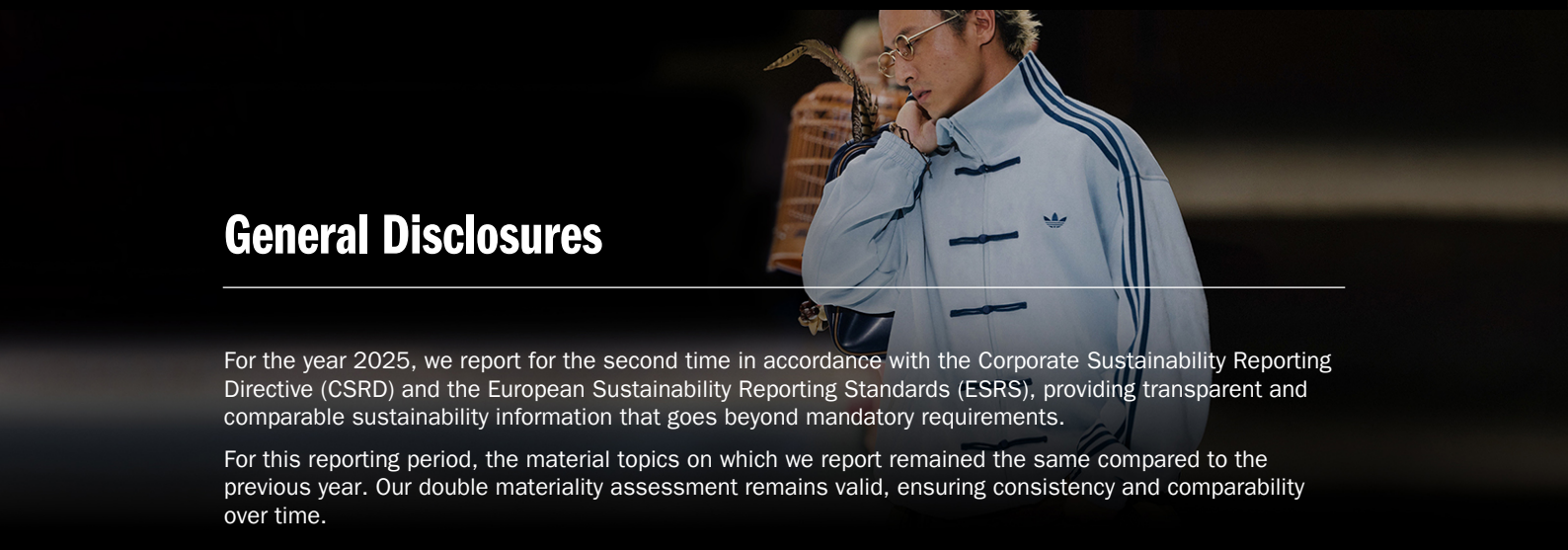
▶ SEE OUTLOOK



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GROUP MANAGEMENT REPORT SUSTAINABILITY STATEMENT

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General Disclosures

For the year 2025, we report for the second time in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), providing transparent and comparable sustainability information that goes beyond mandatory requirements.

For this reporting period, the material topics on which we report remained the same compared to the previous year. Our double materiality assessment remains valid, ensuring consistency and comparability over time.

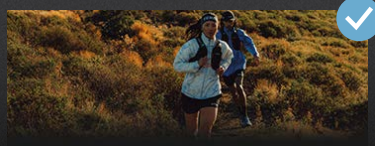
SBM-1 – Overview of adidas' value chain stages

Upstream	Own operations	Downstream
Production by independent manufacturing partners	Design, development, marketing, distribution, direct-to-consumer sales, and support functions	Sales through wholesale partners to consumers, and use and disposal of products

IRO-1 – Material impacts in our value chain

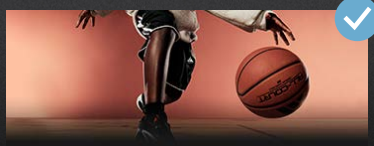
Environmental	Social	Governance
Material environmental impacts occur mainly in the upstream value chain. We have established teams that work in close collaboration with our independent manufacturing partners to manage material impacts, e.g., GHG emissions, water, biodiversity, waste, and use of chemicals.	Material social impacts occur at every stage of the value chain and relate to the workers of independent manufacturing partners, our own employees, and our consumers. We have established teams and functions that manage material impacts, such as the Social & Environmental Affairs team to manage human rights and working conditions in the supply chain, the HR function to manage topics related to our own workforce, and the Marketing and Sales functions to manage consumer interests.	Material governance-related impacts, such as compliance and corporate culture topics are managed by the Legal function, i.e., the Compliance team together with HR.

Environment



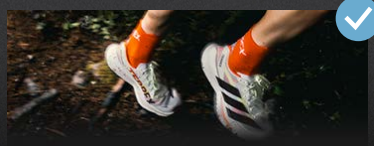
ESRS E1

Climate Change



ESRS E2

Pollution



ESRS E3

Water and Marine Resources



ESRS E4

Biodiversity and Ecosystems



ESRS E5

Resource Use and Circular Economy

Social



ESRS S1

Own Workforce



ESRS S2

Workers in the Value Chain



ESRS S3

Affected Communities



ESRS S4

Consumers and End-Users

Governance



ESRS G1

Business Conduct

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Basis for preparation

BP-1 – General basis for preparation of the Sustainability Statement

This Sustainability Statement provides a comprehensive overview of the material sustainability matters of adidas in the 2025 financial year. It is part of our Annual Report, which is published as an online version and in .pdf format on our corporate website. The reporting period is the financial year from January 1 to December 31, 2025.

The Sustainability Statement has been audited with limited assurance by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft ('PwC'). It has been prepared for the adidas Group on a consolidated basis in accordance with the European Sustainability Reporting Standards (ESRS). It also fulfils the requirements for non-financial reporting obligations in accordance with §§ 289b ff. and 315b to 315c of the German Commercial Code (HGB) (combined non-financial statement).

The Sustainability Statement has been prepared on a consolidated basis and includes adidas AG and all its direct and indirect subsidiaries. An entity is considered a subsidiary if it is controlled by adidas AG. The scope of consolidation of the Sustainability Statement therefore follows the financial reporting scope. Further information on the scope of consolidation can be found here:

▶ SEE NOTE 02

The Sustainability Statement generally covers the value chain to the following extent: upstream, downstream, and our own operations. It does not cover all possible value chain activities or actors, but does so only where material information is present. We have not yet achieved full transparency, especially in our multi-tiered upstream supply chain but also in the downstream supply chain. We are continuously working to increasing this transparency, however, and explain related updates in the topical standards. adidas has evaluated all ESRS standards and (sub-)sub-topics with a focus on its material impacts, risks

and opportunities (IROs). The disclosures have been prepared in accordance with the guidance laid out in ESRS 1.

No information corresponding to intellectual property, know-how or the results of innovations has been omitted. The exemption from disclosure of impending developments or matters in the course of negotiations does not apply.

BP-2 – Disclosures in relation to specific circumstances

Time horizons

The general definition of the time horizons applied by adidas is in line with the ESRS definition in ESRS 1 section 6.4. The same time horizons are applied for the adidas risk management methodology:

— Short-term: 1 year (equal to the reporting period of our financial statements)
— Medium-term: 2-5 years
— Long-term: ≥ 6 years

Changes in preparation or presentation of sustainability information

In section ESRS E5-4 ‘Resource inflows,’ the overview of materials used in adidas products and packaging has been newly created. In 2024, we presented two tables, with one covering the inflow of product material and the other covering packaging material. To ensure more clarity for the reader, we have combined both tables into one, and we have consolidated the different materials into the biological and technical categories. To allow for comparability, we structured the prior-year data in the same way. The total material inflow in tons corresponds to the figure published in the previous year.

▶ SEE ESRS E5-4 – RESOURCE INFLOWS

Measurement basis

The information on methodologies and, if applicable, calculation factors, estimations (including value chain estimations, sources, measurement and outcome uncertainties, planned actions to improve accuracy of metrics, approximations and judgments) and assumptions and limitations is listed in the topical standards with the relevant metrics along with references. The validation of the measurement of all disclosed metrics by an external body other than the assurance provider, if applicable, is outlined in the respective topical standards.

This Sustainability Statement contains forward-looking statements based on estimates that we have made using the information available to us at the time this Sustainability Statement was prepared. Such forward-looking statements are subject to uncertainties that are beyond the control of the company. In case the underlying assumptions turn out to be incorrect or the described risks or opportunities materialize, actual results and developments may deviate materially (negatively or positively) from those expressed in these statements.

Incorporation by reference

The ESRS disclosure requirements listed below are covered by references in the sections To our Shareholders and Group Management Report of this Annual Report:

— ESRS 2 SBM-1 – Strategy, business model and value chain

— ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

— ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies

The relevant sections and the references themselves are identified using links and footnotes.

Disclosure in relation to the German commercial code

This Sustainability Statement, which has been prepared in accordance with the ESRS, also meets the requirements for the non-financial (group) statement prepared in accordance with §§ 289b ff. and 315b to 315c of the German Commercial Code (HGB) and thus represents the combined non-financial statement for the adidas Group and adidas AG.

In order to fulfill our reporting obligations under commercial law, we declare the following

The full application of the European Sustainability Reporting Standards (ESRS) as a framework in accordance with §§ 315c (3) in conjunction with 289d HGB is based on the importance of the ESRS as reporting standards for sustainability reporting adopted by the European Commission.

As part of our double materiality assessment and our company-wide risk management system, we identify and assess risks and opportunities using a consistent methodology that includes, among others, likelihood of occurrence, time horizons, and impacts. This results in material risks arising from our own business activities as well as from business relationships, products, and services that could have a negative impact on non-financial aspects.

▶ SEE RISK AND OPPORTUNITY REPORT

Disclosures based on the EU Taxonomy regulation

In addition, with this Sustainability Statement, the adidas Group is meeting the requirements of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088 (hereafter EU Taxonomy Regulation).

▶ SEE EU TAXONOMY

Additional information on the non-financial statement of adidas AG in accordance with § 289b HGB

In accordance with § 289b (2) HGB, adidas AG is making use of the option to refer to the adidas Group's sustainability statement prepared in accordance with ESRS with regard to the content of its non-financial statement. As this contains all information relevant to stakeholders, no framework was applied for the non-financial statement of adidas AG. adidas AG is the parent company of the adidas Group and is responsible for all corporate decisions.

Governance

GOV-1 – The role of the administrative, management and supervisory bodies

As a globally operating stock corporation with its registered seat in Herzogenaurach, Germany, adidas AG is subject to, inter alia, the provisions of the German Stock Corporation Act (Aktiengesetz – AktG). One of the fundamental principles of German stock corporation law is a dual board system, whereby the Executive Board is responsible for the management of the company, and the Supervisory Board is responsible for advising and supervising the Executive Board. These two boards are strictly separated in terms of both members and competencies. However, both boards cooperate closely in the interest of the company.

We report in our Annual Report on the composition of the Executive Board and the Supervisory Board, including expertise, skills and diversity, roles and responsibilities, as well as expert committees. More detailed information can be found here:

▶ SEE EXECUTIVE BOARD ▶ SEE SUPERVISORY BOARD ▶ SEE SUPERVISORY BOARD REPORT ▶ SEE DECLARATION ON CORPORATE GOVERNANCE

The **Executive Board** is responsible for independently managing the company with the aim of sustainable value creation in the best interests of the company, and with developing the company's strategic orientation, coordinating it with the Supervisory Board, and ensuring its implementation. Furthermore, the Executive Board determines business objectives, the company's policy, and the organization of the Group. In this respect, the Executive Board also systemically assesses risks and opportunities for the company linked with social and environmental factors, as well as the environmental and social impact of its business activities. More detailed information on material impacts, risks and opportunities (IROs) management can be found below.

Additionally, the Executive Board ensures responsible management of business resources as well as compliance with and observance of legal provisions and internal regulations by the Group companies. For this purpose, the Executive Board sets up an Internal Control and Risk Management System adequate and effective in view of the scope of business activities and the company's risk situation which comprises a Compliance Management System aligned to the company's risk situation and also covers sustainability-related objectives/matters. The Executive Board is obligated to act in the company's interests and to strive for a sustainable increase in the value of the company.

The **composition of the Executive Board** is determined by the Supervisory Board and reflects the international structure of our company. Every decision by the Supervisory Board on the composition of the Executive Board is made in the best interests of the company and with due consideration of all circumstances in each individual case. The Executive Board is composed of four members:

— Bjørn Gulden – Chief Executive Officer
— Mathieu Sidokpohou – Chief Commercial Officer
— Harm Ohlmeyer – Chief Financial Officer
— Michelle Robertson – Global Human Resources, People and Culture

One member of the Executive Board is female and three are male (1:3). The percentage of female Executive Board members is therefore 25% in relation to the percentage of male Executive Board members, which is 75%. Thereby, the requirements of § 76 section 3a AktG are fulfilled, which stipulates that at least one woman and at least one man be appointed as members of the Executive Board. In addition, Executive Board members are subject to an age limit of 67 years.

The Executive Board's skills in sustainability matters are enhanced through regular updates from internal experts. More detailed information on each member of the Executive Board, including their expertise, skills and experience relevant to adidas' business, can be found here:

▶ SEE EXECUTIVE BOARD

The Executive Board reports to the Supervisory Board regularly, extensively, and in a timely manner on all matters relevant to the company's strategy, planning, business development, financial position, and compliance, as well as on material business risks. Fundamental questions related to the corporate strategy and its implementation are thoroughly discussed and aligned with the Supervisory Board.

Moreover, the **Supervisory Board** supervises and monitors the Executive Board in its conduct of business and advises on questions relating to the management of the company, including sustainability issues/ matters.

The Supervisory Board is responsible for the appointment and dismissal of members of the Executive Board and for the allocation of their areas of responsibility as well as for the compensation system and the individual overall compensation of each Executive Board member.

When appointing new Executive Board members, the Supervisory Board ensures the best possible, diverse,[18] and mutually complementary Executive Board composition for the company and, together with the Executive Board, ensures long-term succession planning. This ensures a sustainable process for identifying and evaluating successor candidates for Executive Board positions.

The Supervisory Board consists of 16 members with four female members and twelve male members (4:12). The percentage of female Supervisory Board members is 25% in relation to the percentage of male Supervisory Board members, which is 75%. It thereby fulfills the statutory requirements of § 96 section 2 sentence 1 AktG, stipulating that the Supervisory Board must be composed of at least two women and two men on the shareholder representatives as well as the employee representatives side, respectively. In accordance with the German Co-Determination Act (Mitbestimmungsgesetz – MitbestG), half of its members are representatives of shareholders and half are representatives of employees.[19]

More detailed information on the committees of the Supervisory Board, including their roles and responsibilities, can be found below and here:

▶ SEE DECLARATION ON CORPORATE GOVERNANCE

According to the **objectives for the composition of the Supervisory Board**, the Supervisory Board should be composed in such a way that qualified supervision of and advice to the Executive Board are ensured. Its members, on the whole, are expected to have the knowledge, skills, and professional experience required to properly perform the tasks of a supervisory board in a capital market-oriented international company in the sporting goods industry.

More details regarding the composition of the Supervisory Board are published here:

▶ ADIDAS-GROUP.COM/BODIES ▶ SEE DECLARATION ON CORPORATE GOVERNANCE

[18] Diversity is understood in the broadest sense, including age, gender, cultural origin, nationality, educational background, professional qualifications, and experience

[19] More detailed information on the Supervisory Board members can be found in the competency profile tables below.

When preparing proposals for the election of shareholder representatives to the Supervisory Board, the Supervisory Board takes into account the objectives regarding its composition and, in particular, aims to fulfill the competency profile developed for the Supervisory Board as a whole. This profile also includes skills and expertise in the areas of business strategy development and implementation, personnel planning and management, accounting and financial reporting, governance/compliance, and sustainability issues/matters relevant to adidas, including ESG aspects. At least one member of the Supervisory Board must have expertise in the field of accounting, and at least one further member of the Supervisory Board must have expertise in the field of auditing. Accounting and auditing also include sustainability reporting and its audit and assurance. The Supervisory Board's skills in sustainability issues/matters are enhanced through regular updates from internal experts.

In the Supervisory Board's assessment, the Supervisory Board as a whole, in its current position, fulfills the objectives regarding its composition and the competency profile. A detailed overview can be found in the Declaration on Corporate Governance – Supervisory Board competency profiles.

▶ SEE DECLARATION ON CORPORATE GOVERNANCE

In general, the age limit for the Supervisory Board members at the time of their appointment is 72 years.

Regarding the independence of its members, the Supervisory Board considers the following provisions to be appropriate: More than half of the shareholder representatives of the Supervisory Board should be independent within the meaning of the German Corporate Governance Code. From the company's perspective, Supervisory Board members are to be considered independent if they have no personal or business relationship with the company or its Executive Board that may cause a substantial, and not merely temporary, conflict of interest. In the opinion of the Supervisory Board, all shareholder representatives qualified as independent in 2025. Consequently, the percentage of independent shareholder representatives is 100% – and accordingly 50% with regard to the whole Supervisory Board.

In addition, more than two-thirds of the shareholder representatives should be free of any potential conflicts of interest. This applies in particular to potential conflicts of interest that may arise as a result of an advisory or governing body function among customers, suppliers, lenders, or other third parties. As a rule, members of the Supervisory Board should not have a governing body or advisory function with any major competitor and should not have a personal relationship with any key competitor.

Finally, as a general rule, the length of membership of the Supervisory Board should not exceed twelve years or three terms of office.

The Supervisory Board and its committees regularly evaluate the efficiency of their work and resolve on individual measures to further improve the organization of the Supervisory Board's work. The Chairmen of the committees regularly report to the Supervisory Board on the results of the committee work.

Within adidas, there are various management and supervisory roles that are responsible for overseeing different aspects of **material impacts, risks and opportunities (IROs) management** throughout our company. At the highest level are the Executive Board and the Supervisory Board.

The members of the Executive Board and Supervisory Board are regularly informed by expert teams who are actively involved in managing all material IROs (in particular, for sustainability-related matters, the central ESG function, the Social & Environmental Affairs team, the Governmental Affairs team, the Legal team, Brand teams, Sourcing teams, Investor Relations, Sales, Enterprise Risk Management, Internal Controls, and Internal Audit), about matters including legislative changes related to sustainability, as well as risks and opportunities, in particular with regard to the increasing regulation of environmental/sustainability, social and corporate governance issues. This also includes relevant training opportunities. This ensures

that sustainability topics are embedded into the company's decision making and regulatory/ reporting readiness and compliance.

The Executive Board determines business objectives, the company's policy, and the organization of the Group. In this context, the Executive Board also systemically assesses the risks and opportunities for the company related to social and environmental factors, as well as the environmental and social impact of its business activities. The Executive Board members manage relevant IROs as part of their regular responsibilities and coordinate with each other on all cross-functional measures. Collaboration within the Executive Board is governed by the Rules of Procedure of the Executive Board and the Business Allocation Plan. These documents specifically stipulate requirements for meetings and resolutions as well as for cooperation with the Supervisory Board.

▶ ADIDAS-GROUP.COM/BODIES

The Executive Board put in place an **Internal Control system** and **Risk Management system** in light of the scope of the business activities pursued by adidas and in light of its risk situation. This comprises, in particular, the Risk and Opportunity Management System, the Internal Control System, the Compliance Management System and the activities of Internal Audit team.

With regard to the **Risk and Opportunity Management System**, the Executive Board ensures comprehensive and consistent management of all relevant risks and opportunities, including sustainability-related objectives and matters. The Enterprise Risk Management department, reporting into the CEO, governs, operates, and develops the company's risk and opportunity management system and is the owner of the centrally managed risk and opportunity management process on behalf of the Executive Board.

The **Internal Control System** represents a process embedded in the company-wide corporate governance system. It is designed to provide continuous improvement of the reliability of the company's external financial reporting as well as the effectiveness and efficiency of operations, the reliability of non-financial reporting, and compliance with applicable laws and regulations. The effectiveness of the non-accounting-related controls is also regularly monitored by the Internal Audit department, reporting into the CEO, and the Global and Market Internal Controls teams.

The adidas Chief Compliance Officer (CCO) oversees the company's **Compliance Management System**, which is aligned with the company's risk situation. It establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business. The Global Policy Manual provides a framework for basic work procedures and processes, and the Fair Play Code of Conduct stipulates that all of our employees and business partners shall act ethically in compliance with the laws and regulations of the legal systems in which they conduct business. The Compliance Management System is designed to support the achievement of qualitative and sustainable growth through good corporate governance, to reduce and mitigate the risk of financial losses or damage caused by non-compliant conduct, and to protect and further enhance the value and reputation of the company and its brand through compliant conduct.

The **Internal Audit** department, which works independently from all other functions of the organization, provides the Executive Board and the Audit Committee with regular, objective assurance on the adequacy and effectiveness of the company's internal control system and risk management system.
More detailed information on the Internal Control System and Risk Management System can be found here:

▶ SEE RISK AND OPPORTUNITY REPORT

In addition, a **central ESG function**, reporting into the CEO, steers adidas' sustainability and ESG direction, including overseeing and monitoring the target setting relating to material impacts, risks and opportunities in collaboration with the Executive Board and relevant functions.

The head of the central ESG function leads the Sustainability and ESG Steering Board (SSB). The SSB is composed of senior representatives from different functions across the company and ensures cross-functional alignment, transparent end-to-end management, and execution of agreed-upon sustainability goals. It aims to guide and embed sustainability and ESG within adidas' functions, enable transformation, ensure regulatory readiness, enable related reporting and risk management and drive communication as well as engage with stakeholders.

We also maintain a separate compliance function, which operates as the Social & Environmental Affairs (SEA) team, to monitor supplier-facing social and environmental compliance performance and human rights impacts, reporting to the CEO through the General Counsel, who also acts as the Chief Human Rights Officer (CHRO).

Notably, various ESG progress updates were provided to the Executive Board and Supervisory Board in 2025.

All of the above functions, teams, and governance bodies, as well as other functions that manage IROs at the senior management level, report regularly to the Executive Board and to the Supervisory Board. This includes information on the setting and monitoring of targets relating to material impacts, risks and opportunities. The Supervisory Board is responsible for monitoring the effectiveness of the internal control system and risk management systems. These duties are generally undertaken by the Audit Committee of the Supervisory Board. ESG and sustainability topics at adidas are regularly discussed during Audit Committee meetings. The Audit Committee is also responsible for the preparation and oversight of non-financial reporting at adidas AG. The work of the Audit Committee is regulated by the Rules of Procedure.

More detailed information on the Audit Committee of the Supervisory Board, its members, responsibilities and rules of procedure as well as the focus of its work in 2025 can be found here:
▶ ADIDAS-GROUP.COM/SUPERVISORY-BOARD-COMMITTEES ▶ SEE SUPERVISORY BOARD REPORT

In addition, regular communication with relevant stakeholder groups such as customers, suppliers, business partners, investors, NGOs, or employees further add to the understanding of different stakeholder perspectives.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Each of the Executive Board members, including the CEO, is regularly informed about the material impacts, risks and opportunities (IROs), the implementation of due diligence, and the results and effectiveness of policies, actions, metrics and targets adopted on an ongoing basis by their senior management teams responsible for managing these IROs. The mentioned topics are also an integral part of the meetings of the Supervisory Board and its Audit Committee.

▶ SEE ESRS 2 – GOV-1 – THE ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

In the periods between meetings, the Chairman of the Supervisory Board and the Chairman of the Audit Committee maintain regular contact with the CEO and the CFO, conferring on matters such as adidas' strategic orientation, business planning and development, major transactions, the risk situation, potential trade-offs associated with IROs, control and risk management, and compliance. In addition, the Chairman of the Supervisory Board and, as applicable, the Supervisory Board is informed about events of fundamental importance for evaluating the situation, the development and management of the company, if required, also at short notice.

The Executive Board, the Chairman of the Supervisory Board and the Chairman of the Audit Committee report to the Supervisory Board regularly, extensively and in a timely manner on all matters relevant to the company's strategy, planning, business development, financial position and results of operation, the adequacy and further development of due diligence processes, including updates on the internal control and risk management systems and compliance matters, as well as on special matters of company impacts, risks and opportunities.

In the year 2024, we conducted a full-scope double materiality assessment (DMA), which was then presented to the Audit Committee. In 2025, after a review of the 2024 results, we concluded that a significant update was not necessary, and as a consequence, an unchanged list of all assessed material matters compared to the prior year was presented to the SSB. The material matters and related IROs can be found in the beginning of each topical standard under SBM-3 and IRO-1 (in the case of E5 and G1).

More detailed information on the content of the meetings of the Supervisory Board and its committees can be found here:

▶ SEE SUPERVISORY BOARD REPORT

GOV-3 – Integration of sustainability-related performance in incentive schemes

The Supervisory Board is responsible for determining, implementing, and reviewing the compensation and the compensation system for the Executive Board members. The Executive Board compensation system is presented by the Supervisory Board for approval to the Annual General Meeting at least every four years and in case of material changes.

The compensation of the Executive Board members is composed of non-performance-related (fixed) and performance-related (variable) compensation components and consists of a fixed compensation, an annual cash bonus ('Performance Bonus'), a long-term share-based bonus (Long-Term Incentive Plan – 'LTIP Bonus') as well as other benefits and pension benefits.

The variable performance-related compensation is designed to provide the right incentives for the Executive Board to act in the interest of the company's strategic direction, the shareholders, and other stakeholders, as well as to ensure a successful, sustainable, and long-term corporate management and development. When selecting the performance criteria, the Supervisory Board ensures that they are transparent, clearly

measurable or identifiable and directly promote the implementation of the strategic direction, including from an ESG perspective.

Performance Bonus

As the annual variable performance-related component, the Performance Bonus serves as compensation for the Executive Board's performance in the past financial year in line with the short-term development of the company. It incentivizes operational success within the established strategic framework. At the start of the financial year, the Supervisory Board establishes the respective weighted performance criteria. In the case of 100% target achievement, the target amount of the Performance Bonus corresponds to 30% of the target direct compensation of the respective Executive Board member.

The amount of the Performance Bonus is determined based on the achievement of weighted criteria. Two of these criteria are financial performance criteria, which are the same for all Executive Board members and are overall weighted at 80% ('financial criteria'). The other criteria are defined for the Executive Board as a whole or individually for the respective Executive Board member and are overall weighted at 20% ('other criteria'). These other criteria may comprise financial, non-financial or ESG targets and allow for further differentiation depending on the specific operating and strategic priorities. If several non-financial or ESG targets are selected, the Supervisory Board also determines their relative weighting.

These other criteria for the 2025 financial year will be disclosed ex-post in the Compensation Report 2025. In this Compensation Report, the respective target achievements will be explained transparently, and the concrete calculation of the Performance Bonus amount will be set out comprehensively.

Long-Term Incentive Plan (LTIP)

The LTIP is designed to link the long-term performance-related variable compensation of the Executive Board to the company's performance and thus to the interests of the shareholders. Therefore, the LTIP is share-based and oriented toward achieving long-term targets. The LTIP consists of annual tranches, each with a term of four years. Each LTIP tranche consists of a three-year performance period followed by a one-year lock-up period. In case of 100% target achievement, the LTIP target amount for the respective LTIP tranche corresponds to 40% of the target direct compensation of the respective Executive Board member. The amount of the LTIP Bonus is determined based on the achievement of uniform financial and non-financial performance criteria for all Executive Board members, which are derived from the long-term strategic direction of adidas.

During the performance period, a total of 80% of the target achievement is measured against financial criteria and a total of 20% is measured against non-financial or ESG criteria. At the start of the performance period of an LTIP tranche, the Supervisory Board also determines the non-financial or ESG criteria and target values for the entire duration of the performance period.

For the LTIP tranche 2025 (performance period 2025 to 2027), the following ESG-related performance criteria have been set with regard to the strategic targets:

— Reduction of CO_2 intensity per product:[20] 10% weighting. The target setting is derived from the CO_2e emissions intensity target per product for 2025 (-15% intensity reduction compared to 2017 and -9% intensity reduction compared to 2022) and is in line with our SBTi-validated targets for 2030 and 2050.
▶ SEE ESRS E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

— Percentage of female managers:[21] 10% weighting. The target setting is derived from the ambition of increasing the global percentage of women in leadership positions to 50% by 2033.
▶ SEE ESRS S1-5 – TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The Compensation Report for each financial year includes an outlook on the application of the compensation system for the current financial year. This outlook will transparently disclose ex-ante the determination of the financial and non-financial or ESG criteria. After expiry of the respective performance period, the performance criteria and targets, as well as the respective target achievement will be outlined transparently and comprehensively disclosed in the Compensation Report. The target values and target achievement of the performance criteria determined for the LTIP tranche 2025, as well as the associated determination of the variable performance-related compensation, will be disclosed in detail in the Compensation Report 2027.

With regard to the Supervisory Board, the compensation for Supervisory Board members consists of a fixed compensation component for their work on the Supervisory Board and an additional compensation component for committee work as well as an attendance fee. There are no performance-related targets that are measured against sustainability-related targets and/or sustainability-related metrics. The compensation system for the members of the Supervisory Board is set out in § 18 of the Articles of Association of adidas AG. The Supervisory Board compensation system will be submitted to the Annual General Meeting for approval at least every four years or in case of material changes.

A more detailed description of the Executive Board and Supervisory Board compensation, the key characteristics of the incentive scheme for the Executive Board, the target setting, and the target achievement can be found here:
▶ ADIDAS-GROUP.COM/COMPENSATION

[20] CO_2 equivalent emissions allocated to an average adidas product. Calculated by dividing total emissions of Scope 1, 2, and 3 (without use phase) in kg CO_2e by the total number of products manufactured with regard to season Spring/Summer and season Fall/Winter. The internationally most recognized standards such as the GHG Protocol (Greenhouse Gas Protocol), SBTi (Science Based Targets initiative), and PEFCR (Product Environmental Footprint Category Rules Guidance) are applied for the calculation. This non-financial performance criterion is part of the combined non-financial statement, which is subject to an audit by an external auditor.
[21] Global percentage of women in leadership positions at Director level or higher.

GOV-4 – Statement on due diligence

The following table shows where information about our due diligence processes can be found throughout this Sustainability Statement:

GOV-4 – Statement on due diligence

Core elements of due diligence	Sections in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	ESRS 2, SBM-1, SBM-2, SBM-3; SBM-2 and SBM-3 also in specific topical standards S1, S2, S3, S4
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2, SBM-2; impact, risk and opportunity management sections in S1, S2, S3, S4
Identifying and assessing adverse impacts	ESRS 2, IRO-1; impact, risk and opportunity management sections in each topical standard; transition plan and consideration of biodiversity and ecosystems in strategy and business model in E4
Efforts to mitigate adverse impacts	ESRS 2; impact, risk and opportunity management sections in each topical standard
Tracking and communicating the effectiveness of these efforts	ESRS 2; metrics and targets sections in each topical standard

GOV-5 – Risk management and internal controls over sustainability reporting

We recognize the importance of robust risk management and internal control processes that uphold the integrity of our ESG disclosures, including but not limited to sustainability reporting. Controls for ESG-related risks are assessed and integrated into the internal controls system (ICS), in alignment with strategic, regulatory, reporting, and operational ESG objectives.

Our risk management and internal controls system aim to cover all major processes relevant to sustainability reporting. Risk management is integrated at both entity and process levels, ensuring that risks are identified, assessed, and mitigated through documented controls. Management is responsible for implementing and operating the internal controls system. The Global Internal Controls function provides monitoring, testing, and advisory support to drive continuous improvement, with regular reporting to the Audit Committee and management bodies on overall internal control effectiveness. ESG-specific reporting will be phased in starting 2026.

ESG risk management and internal control processes are guided by the following key considerations and inputs, which inform prioritization and continuous improvement.

— **External reporting integrity:** Safeguarding the accuracy and reliability of disclosed ESG data, with emphasis on quantitative metrics and steering KPIs.

— **Regulatory compliance:** Supporting adherence to applicable ESG-relevant local, national, and international ESG regulations and standards.

— **Internal and external audits:** Incorporating audit insights to identify ESG-related risks, deviations, and necessary corrective actions.

— **Enterprise risk management**: Considering and aligning with ESG-related risks and opportunities, including risk mitigation measures, as identified in the enterprise risk and opportunity assessment.
▶ SEE RISK AND OPPORTUNITY REPORT

— **Stakeholder engagement:** Considering the expectations and concerns of our key stakeholders, including investors, wholesale customers, consumers, employees, and the adidas community.

Internal control processes include the following key components:

— **Risk identification and assessment:** Identifying potential risks within the key processes and assessing their impact and likelihood using our internally aligned assurance risk rating methodology. Risks considered include data integrity and completeness, accuracy of estimations and assumptions, availability and timeliness of data, errors or fraud, process and system integrity, regulatory compliance, inadequate management oversight, and failure to meet ESG strategic or operational objectives. These risks are assessed and prioritized based on their potential impact and likelihood, ensuring that our internal controls system is designed to address the most material risks to the reliability and compliance of our ESG disclosures.

— **Control identification and assessment:** Determining whether the designed controls meet the process objectives and are effective in preventing or detecting the risks (e.g., errors or fraud that could lead to material misstatements in reporting disclosures). Where control gaps are identified, we continuously evaluate and implement additional or enhanced controls as needed.

— **Monitoring and testing:** Controls are subject to regular monitoring and testing procedures, with responsibilities assigned to relevant functions and formalized in the internal controls system.

— **Communication and reporting:** Integrating all ESG-relevant risks and control testing results into existing reports for the Audit Committee of the Supervisory Board and management bodies, ensuring that both high-risk deviations and other findings are addressed and periodically reported. The process includes regular review and integration of findings into relevant functions and processes.

— **Continuous improvement:** Enhancing the quality and effectiveness of controls during planned revision cycles by re-evaluating regulatory requirements, capabilities, and processes.

Looking ahead, the internal controls system will continue to evolve throughout the ESG journey over the next few years, with the following priorities:

— **Highlight risks and control gaps:** Continue to assess and highlight risks and control gaps within key processes, data, and systems to support ongoing enhancement of our ESG internal controls environment.

— **Expand the scope:** Implement a phase-in approach to integrating ESG into the internal controls system and expand efforts to cover key business processes and regulations in line with our evolving ‘ICS over ESG priorities & roadmap.’

— **Optimize processes:** Refine and optimize our risk management and internal control processes to achieve greater efficiency and efficacy.

Since 2024, the ESG Compliance Framework project, an internal initiative, has translated identified gaps into capability and process requirements to advance ESG compliance and reporting in the coming years. To achieve this, investments have been made in capabilities that mitigate prioritized risks and address gaps in processes, systems, and data.

In 2025, the 'ICS over ESG priorities & roadmap' was defined to support the achievement of ESG strategic, regulatory, reporting and operational objectives. This was developed in alignment with the ESG Compliance Framework project, among other inputs as described above. For new or evolving processes within prioritized areas, advisory support is provided during the design and build phases to ensure risks are adequately mitigated from the outset. For sufficiently mature processes, process walkthroughs were conducted to evaluate whether the key risks are adequately mitigated by the implemented controls.

The assessed controls are then integrated into the internal controls system and may be subject to regular independent monitoring or testing to evaluate their effectiveness, depending on risk assessment outcomes and business priorities. From 2026, ESG-specific internal control testing results will be integrated into this annual reporting to the Audit Committee of the Supervisory Board and management bodies, providing insights into the design and operational effectiveness of ESG-related controls, as well as a comprehensive overview of all identified findings.

Strategy

SBM-1 – Strategy, business model and value chain

Business model and value chain

To achieve our mission of being the best sports brand in the world, our business model is centered around designing and developing performance and lifestyle products that resonate with our consumers. We aim to set trends, drive innovation, and respond swiftly to consumer preferences, ultimately creating brand heat. Our production is carried out in collaboration with independent manufacturing partners in our upstream value chain, which includes Tier 4 and beyond suppliers for raw material sourcing, Tier 3 and 2 suppliers for material manufacturing, spinning, coloring and finishing, and Tier 1 suppliers involved in assembling adidas products. Our net sales are diversified globally – an overview of the details is provided in the Markets and Sales Channels section.

▶ SEE MARKETS AND SALES CHANNELS

In our own operations within our business activities, we design and develop products, engage with consumers through marketing activities and sales, and tailor our global distribution network to meet the needs of our sales channels and consumers. We respond to consumer preferences, collaborate with investors, and partner with brands and creators to generate demand for our products. To drive these business activities, key input factors are essential to deliver value to our investors, consumers, and business partners by creating innovative products and sustainable offerings, responding to consumer demands and creating brand heat (output factors).

Our products are designed to create positive downstream value chain outcomes, such as improved athlete performance, enhanced consumer satisfaction, increased product demand, and the creation of brand heat. Additionally, we work to reduce the adverse ESG impacts and risks of our business activities throughout our entire value chain, from sourcing materials to minimizing environmental and social impacts through applying our due diligence processes and Workplace Standards with our suppliers. While we strive for positive outcomes, we acknowledge that negative outcomes can occur. We remain committed to balancing attractive investments with reducing adverse ESG-related impacts to ensure long-term financial and brand success.

Our business model and operating model enable us to quickly react and adapt to an ever-changing world – whether this involves the evolving demands of consumers, geopolitical developments that may impact our sourcing and supply chain, or environmental and social changes regarding places where we or our business partners operate. This flexibility, combined with our risk management system, builds the foundation of our

resilience, especially in the long-term but also in the short- to mid-term. The key elements of our business model and strategy are outlined in detail in the 'Description of Business Model' section (and its related subsections). Further information on the process and outcomes of our enterprise risk and opportunity assessment can be found in the Risk and Opportunity Report. In addition, our Business Model Overview includes an illustrative figure summarizing the main inputs, outputs, and outcomes of our business activities, along with the value chain actors involved.

▶SEE BUSINESS MODEL OVERVIEW ▶SEE RISK AND OPPORTUNITY REPORT

Headcount of employees by geographical area

As of the end of the reporting period, adidas employed approximately 64,938 people worldwide. The geographical distribution of our employees is as follows.

SBM-1 – Number of employees by geographical area

	2025	2024
Regions		
Emerging Markets	13,419	12,267
Europe	18,816	18,470
Greater China	8,998	8,718
Japan/South Korea	4,396	4,236
Latin America	7,042	6,331
North America	12,267	12,013
Total	**64,938**	**62,035**

Sustainability-related goals

Our commitment to sustainability is rooted in our purpose: 'Through sport, we have the power to change lives.' To underline this commitment, we set targets and ambitions, measure progress, and establish strong partnerships that allow us to create – and drive – actions to either reduce negative impact or amplify positive impact across our key focus areas (detailed in this Sustainability Statement). Our commitment extends beyond individual products, materials, customer groups or geographies – we focus on developing solutions at scale. We will continue joining forces with the industry and our peers to drive systemic change, and we will continue to empower our employees to become sustainability ambassadors, just as we invite our consumers globally to engage and connect with us on the topic of sustainability. Lastly, we also aim to uphold high standards in the area of social compliance across our supply chain. For further information on our individual targets, please refer to the respective metrics and targets sections in the topical standards of this Sustainability Statement.

SBM-2 – Interests and views of stakeholders

We seek to ensure that we address the topics that are most salient to our business and our stakeholders. To identify these topics, we actively engage with our stakeholders and consider their views and opinions when making decisions that shape our day-to-day operations as well as when setting targets. We continuously communicate with relevant stakeholder groups such as customers, suppliers, business partners, investors, NGOs, or employees to enable stakeholder feedback and act on stakeholder concerns. This is integral to our human rights and environmental impact due diligence activities and the shaping of our social and environmental strategies and plans.

Our stakeholders are those people or organizations who affect and are affected by our operations, including the following:

— adidas employees
— Authorizers: governments, trade associations, shareholders, and the Executive Board
— Business partners: suppliers, licensees, and service providers
— Workers in our suppliers' factories
— Human rights defenders: trade unions and community activists
— Opinion formers: journalists, community members, academics, and special interest groups
— Customers: professional athletes, distributors, retailers, and consumers

Engaging openly with stakeholders and establishing ways to increase transparency and disclosure has long been central to our approach. The adidas Stakeholder Relations Guideline specifies key principles for the development of stakeholder relations and the different forms of stakeholder engagement. It highlights the importance of meeting the changing expectations of our stakeholders and encourages open, honest communication that fosters trust and cooperation. Our principles that guide stakeholder relations development are:

— Those affected by adidas' business have the right to be informed about our activities, participate in a transparent stakeholder engagement process, and be involved in issues and opportunities that affect them.

— Stakeholders will be provided with timely and accurate information about our business activities, and we will take their needs and concerns into account when making decisions on behalf of the company.

— We will actively seek stakeholder input and feedback on business decisions and will act on what we learn.

— We will encourage stakeholders to define how they wish to be consulted and strive to remain flexible and responsive to stakeholder preferences.

— We will identify, assess, and address potential risks of stakeholders and adidas to ensure a high-quality engagement process and outcome.

— Those acting on behalf of adidas must be willing to be influenced by stakeholders and, where appropriate, to act on their input, even if this means changing the company's business plans.

— We respect the values and culture of each stakeholder. When disagreements with stakeholders arise that cannot be resolved, our employees will always show respect for the diversity of views presented.

adidas' stakeholders are diverse, which translates into a wide range of engagements, some of which are ongoing and span many years, and some of which are targeted, based on current issues or trends requiring critical feedback. Thus, our numerous stakeholder engagements range from basic communication, consultation and dialogue to more in-depth processes such as advisory panels or multi-stakeholder forums. The most frequent forms of stakeholder engagements we practice include:

— Holding formal stakeholder consultation meetings (stakeholder dialogue) with workers, union representatives, NGOs, and suppliers

— Meetings with investors and investment analysts

— Employee engagement through surveys, internal information, reporting and induction programs, as well as grievance channels to the senior management and Works Councils

— Responding to inquiries from consumers, media, and authorities

— Collaborating with other brands and other companies in joint initiatives

— Participating in multi-stakeholder initiatives

— Engaging in outreach to the academic community, governmental organizations, and governments

Regardless of the form of engagement, we will seek to ensure that the approach, at a minimum, addresses key stakeholder expectations; ensures that stakeholder concerns, perceptions, and viewpoints can be fully and accurately expressed and recorded; and enables us to provide a coherent response to stakeholder expectations and concerns.

Our stakeholder engagement informs our operational decision-making and is considered to improve our strategy and business model. For example through our ongoing exchange with the investor and analyst community, we are well aware of their expectations and respond accordingly. Another example is the employee listening survey, the results of which are carefully analyzed and acted upon by the different internal business functions and teams. We also use collaborations and partnerships to build leverage for systemic change in our industry, such as for efforts in the textile and footwear supply chain to mitigate GHG emissions, to strengthen chemical management practices, and to raise social and environmental standards. In addition, we build awareness, capacity, and knowledge of laws and rights among factory management and workers by partnering with leading providers such as the International Labor Organization's (ILO) 'Better Work' program and the United Nations' International Organization for Migration (IOM) with the objective of ensuring that the labor rights of foreign and migrant workers in the adidas supply chain are upheld.

As consumer demand and all other stakeholder interests and views may change over time, we will adapt our approach accordingly to ensure we meet these expectations. Each function at adidas continuously adjusts its actions to stakeholder group expectations based on the results of stakeholder engagement and dialogue. In this way, we ensure that we address the topics that are most salient to our business and our stakeholders, and the challenges ahead.

During our double materiality assessment (conducted in 2024 and reconfirmed in 2025), we used internal management to represent key external stakeholder interests and views, as detailed in IRO-1. This approach allowed us to gain a clear understanding of the interests and views of our most important stakeholders and to have them represented in our discussions and evaluations of the materiality for each topic. Experts and senior management from all relevant teams were involved to represent the environmental, social and governance perspectives.

▶ SEE ESRS 2 – IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

We strive to keep up with our stakeholders' views and interests regarding sustainability impacts. Due to the cross-functional nature of these impacts, each team that interacts with our key stakeholder groups informs its management teams and the Executive Board of any relevant major changes on a regular and/or ad hoc basis. The Supervisory Board reports publicly on the content of its meetings in each Annual Report.

▶ SEE SUPERVISORY BOARD REPORT

For further information on stakeholder engagement (including key stakeholders across different key focus areas), please refer to the topical standards or to our website.

▶ ADIDAS-GROUP.COM/ENGAGEMENT WITH STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Disclosures related to the SBM-3 data points as well as the list of material impacts, risks and opportunities (IROs) are displayed in each topical standard, where applicable.

Impact, risk and opportunity management

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

Conducted in 2024 and reconfirmed in 2025, our process and methodology for identifying material impacts, risks and opportunities (IROs) are based on the requirements of ESRS 1, section 3 and the application requirement of ESRS 1 AR16. The provided list of sustainability matters from ESRS 1 AR16, alongside our existing material topics, formed the basis for developing a comprehensive long list of potentially material sustainability matters. This list also formed the basis for the IRO identification process. To determine if a sustainability matter is material or not material, the analysis was carried out from both an impact materiality perspective and a financial materiality perspective (double materiality). Information on what kind of data and assumptions were applied can be found in the section ‘Data and assumptions’ in this ESRS 2 IRO-1 chapter. A sustainability matter is deemed material according to the double materiality concept if it is material from either or both perspectives. Other criteria have not been applied.

Impact materiality

Our impact materiality analysis followed the ESRS recommended process (please refer to ESRS 1, section 3.4) considering impacts in which adidas is involved through its own operations and as result of its business relationships. We identified, assessed and evaluated the impacts of all sustainability matters at the sub-topic level and, where applicable, sub-sub-topic level. To evaluate each impact, we first identified whether the impact was actual or potential, positive or negative, short, medium or long term, and at which value chain level the impact occurred. Based on this initial assessment, the materiality of actual negative impacts was evaluated based on the severity of the impact, while the materiality of potential negative impacts was evaluated based on the severity and likelihood of the impact. Severity was assessed using the following three parameters: scale, scope and irremediability. In the case of a potential negative human rights impact, the severity of the impact took precedence over its likelihood. For actual positive impacts, the materiality was based on the scale and scope of the impact, whereas for potential positive impacts, the materiality was based on the scale, scope and likelihood. Finally, we considered all topics described above and gave each respective topic a score ranging from 1 for marginal impact to 5 for significant impact.

Financial materiality

For financial materiality, we also followed the recommended ESRS process for assessing and evaluating the financial materiality of each identified risk and opportunity. We evaluated whether a sustainability matter causes or could cause a material risk or opportunity for adidas based on a combination of the likelihood of occurrence and the potential magnitude of the short-, medium- or long-term financial effects. This included material risks or opportunities affecting our net income and/or cash flows and/or our reputation or the health and safety of our employees. We aligned the financial materiality methodology with our enterprise risk management (ERM) methodology to ensure consistency in how we evaluate risks for internal management purposes and also in how we report them in this Sustainability Statement and the Risk and Opportunity Report. In general, our sustainability-related risks are assessed at the same level of priority as all other business-related risks.

▶ SEE RISK AND OPPORTUNITY REPORT

Finally, we considered all aspects explained in this paragraph and applied a scoring from 1 (marginal) to 5 (significant) from a financial materiality perspective. The materiality threshold for both impact and financial materiality was set at 3, meaning that every topic with a score of 3 or higher is deemed material. We set the threshold at 3 to ensure that we reflect only material matters to our business model in this report, which was ensured by reviewing those matters that were close to the threshold in detail and validating the final list with internal experts and management.

Process of our double materiality assessment

After creating a long list of sustainability matters mainly based on ESRS 1, AR16 as well as on some entity-specific topics as a result of our prior materiality analyses and previous non-financial reporting, we identified generally relevant topics to potentially be reported on together with responsible internal content owners and expert teams. With them, we then proceeded to identify, assess, and prioritize potential and actual positive and negative impacts on people and the environment, as well as risks and opportunities that have or may have financial effects on our company.

Part of the process involved the mapping of affected stakeholders or users of information to identify and assess sustainability matters, integrating their perspectives and views. Although there was no direct involvement of external stakeholders, adidas teams acted as representatives of external stakeholder views and interests to ensure they were considered in the topic assessment. For example, affected communities and value chain workers were represented by the Social & Environmental Affairs team, the investor perspective by the Investor Relations team, the employee perspective by the Human Resources team, and the consumer perspective by the Brand team. Additionally, the Enterprise Risk Management team was involved in all discussions to ensure completeness and alignment in evaluating and assessing methodologies. It is important to note that both processes – ERM (enterprise risk management) and DMA (double materiality assessment) – inform each other so that identified material sustainability matters are reflected in the ERM process and all risks are reflected in the DMA process.

Through a series of workshops over a period of several months with internal stakeholders, including responsible experts and senior management, we identified, assessed and validated impacts, risks, and opportunities. This process included the assessment – performed by the experts in collaboration with the ERM department – of potential connections between our impacts and dependencies and the risks and opportunities that could arise from impacts and dependencies between sustainability matters. Further information on topical dependencies can be found in the respective topical standards as well as in the Risk and Opportunity Report. Generally, the success of our business model depends on our products, which are made of natural resources such as cotton, leather and rubber, as well as other materials such as recycled polyester. The availability and cost of these resources are critical to ensuring the supply of our products to consumers when and where they want them and at a competitive price level. The manufacturing process for our products is very energy intensive and still requires a high level of manual work provided by the workers in our upstream value chain. Similarly, the success of our business activities depends on the creativity of our own employees, impactful collaborations with designers and celebrities, and our marketing and sponsoring activities to ensure that we offer relevant products to our consumers. For the double materiality assessment, we considered all of these dependencies on natural, human, and social resources to evaluate the IROs.

Senior management and their expert teams are responsible for monitoring and managing our impacts, risks and opportunities from sustainability matters:

— **Environmental:** Material environmental impacts occur mainly in the upstream value chain. We have established teams that work in close collaboration with our suppliers to manage material impacts, e.g., GHG emissions, water, biodiversity, waste, and use of chemicals.

— **Social:** Material social impacts occur at every stage of the value chain and relate to the workers of manufacturing partners, our own employees, and our consumers. We have established teams and functions that manage highly material impacts, such as the Social & Environmental Affairs team in the Legal function to manage human rights and working conditions in the supply chain, the HR function to manage impacts, risks and opportunities related to our own workforce, and the Marketing and Sales function to manage consumer interests.

— **Governance:** Material governance-related impacts such as compliance and corporate culture topics are managed by the legal function, i.e., the Compliance team together with HR.

The senior management of these teams as well as experts in specific material topics were deeply involved in the double materiality assessment and provided final judgment on the results based on their subject-matter expertise. The involved senior managers also have a direct link to other internal decision-making processes up to the Executive Board level.

The Internal Controls team was involved in the entire materiality assessment process. Furthermore, for the collection and disclosure of material quantitative metrics, the team members worked together with content and data owners to ensure that data quality requirements for the metrics were met. For more information on internal controls for sustainability reporting, please see the general risk management process and the GOV-5 section.

▶ SEE RISK AND OPPORTUNITY REPORT ▶ SEE ESRS 2 – GOV-5 – RISK MANAGEMENT AND INTERNAL CONTROLS OVER SUSTAINABILITY REPORTING

Value chain

An in-depth definition of the adidas value chain served as the foundation for our double materiality assessment and identification of sustainability matters and IROs. Given our business model, which relies on outsourced manufacturing and production processes with independent partners, we have segmented the value chain into three distinct parts:

— **Upstream:** all of our suppliers, e.g., product manufacturers
— **Own operations:** our own offices, distribution centers (DCs), and retail stores
— **Downstream:** our wholesale customers and end consumers

For further details on the different players, input and output factors as well as outcomes related to our business model, please refer to our business model graphic in the ‘Our Company’ section of the management report.

▶ SEE BUSINESS MODEL OVERVIEW

Data and assumptions

For the double materiality assessment, adidas covered all its business activities globally and used existing internal data, focusing on its own operations as well as upstream and downstream value chain stages (e.g., ERM risk and opportunity overview, GHG emissions calculations, water usage data, chemical usage data, biodiversity assessment, material usage data, own workforce data, supplier risk assessments, financial data) alongside regularly collected data on consumption, social compliance, suppliers and consumer insights. Additionally, we incorporated external data, focusing on the latest scientific studies, benchmarks, regulations and other reporting standards such as GRI, SASB, and the GHG Protocol.

Revision of materiality assessment

In 2025, we continued to apply the results of our previous double materiality assessment (conducted in 2024), as no significant changes in our business model, stakeholder expectations or overall business context were identified. This conclusion is based on the experiences of our prior-year DMA process, in-depth

benchmarking exercises of other companies' 2024 sustainability statements according to ESRS, and, most importantly, discussions with our internal experts for each sustainability matter as preparation of the 2025 reporting process. In general, we plan to revise the assessment every two to three years or in the context of material changes, e.g., to our business model and/or stakeholder expectations.

Topic-specific processes

In addition to our general approach and processes for identifying and assessing our IROs, we conducted the following topic-specific processes, including actions and steps of the double materiality assessment:

IRO-1 – Topic-specific processes

Standard	Description
E1 Climate change	
Process to identify and assess the impacts on GHG emissions [//ESRS E1-20a IRO-1]	To identify and assess climate-related IROs, we use our GHG emissions as reported in past years' Annual Reports for Scope 1, 2, and 3. Based on the calculated GHG emissions, we come to the conclusion that our impact on climate change is distributed unequally across the value chain, with the most significant impact generated in the upstream supply chain, particularly in raw materials production and processing. Our current assessment covers future potential sources of GHG emissions due to the nature of our business model.
[//ESRS E1-20b IRO-1]	Our approach to identify and assess physical risks is explained in ESRS E1 Climate Change. ▶ **SEE ESRS E1 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL**
[//E1-20c IRO-1]	Our approach to identify and assess transition risks is explained in ESRS E1 Climate Change. ▶ **SEE ESRS E1 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL**
E2 Pollution	
[//E2-11a+b IRO-1]	We screened our business activities to identify and assess actual and potential pollution-related IROs, focusing on the upstream supply chain while also considering our own operations and downstream activities. Existing data from manufacturing partners (incl. their site location, use of substances of concern, and wastewater discharge quality) supported this assessment. With regard to pollution of water, adidas annually assesses water risks in sourcing locations using the WRI tool (Aqueduct) to help us understand physical, reputational, and regulatory risks across our supply chain (scope based on the publicly available global factory list). Baseline and future scenarios (2030, 2050, 2080) were analyzed. Findings show that a relevant part of our supply chain operates in water-stressed areas and relies on water-intensive processes, exposing us to water withdrawal risks. Affected communities are considered indirectly via stakeholder outreach. With regard to microplastics, quantifying microplastic-related pollution remains an industry-wide challenge due to the lack of a holistic methodology on how to assess its release and impact on the environment.
E3 Water and marine resources	
[//E3-8a+b IRO-1]	The process, screening, methodologies, assumptions, tools, and consultations used are consistent with those applied for ESRS E2.
E4 Biodiversity and ecosystems	
Description of processes to identify and assess material biodiversity and ecosystem-related IROs [//E4-17a IRO-1]	Our approach to identify and assess actual and potential impacts on biodiversity is explained in ESRS E4 Biodiversity and Ecosystems. ▶ **SEE ESRS E4-1 – TRANSITION PLAN AND CONSIDERATION OF BIODIVERSITY AND ECOSYSTEMS IN STRATEGY AND BUSINESS MODEL**
[//E4-17b IRO-1]	adidas assessed biodiversity dependencies in its upstream value chain (the only value chain level with material biodiversity IROs), focusing on used materials and economic activities. The assessment linked the apparel industry to ecosystem services, detailing how natural capital assets provide these services and are affected by environmental changes. By using the Encore tool, we assessed the importance of natural capital assets and the impact of environmental changes considering our economic activities and the materials required to manufacture our products.

IRO-1 – Topic-specific processes

Standard	Description
[//E4-17c IRO-1]	Transition and physical risks and opportunities related to biodiversity and ecosystems have been identified and assessed, focusing on impacts and dependencies in the upstream value chain. The assessment criteria included regulatory compliance, cost implications, and environmental impacts. Material risks identified include increased operational costs due to the need for traceability systems and sourcing-certified raw materials to comply with regulations like the EU Deforestation-free Regulation (EUDR) and the 2030 EU Biodiversity Plan. Non-compliance with these regulations could result in fines and restricted market access, particularly in the EU. Additionally, decreased biodiversity may compromise the availability and cost of nature-derived materials such as cotton, leather, and natural rubber, due to factors like reduced pollinators and ecosystem health issues. Water availability for production processes, such as dyeing and tanning, also poses significant risks.
[//E4-17d IRO-1]	adidas recognizes the importance of systemic risks related to biodiversity and ecosystems, but they have not been a primary focus of the current assessment process due to the lack of a widely recognized methodology and the significant cross-collaboration and time required. adidas plans to address this gap by gathering insights through the Science Based Targets Network (SBTN) and other sources.
[//E4-17e IRO-1]	Consultations with affected communities on sustainability assessments of shared biological resources and ecosystems have not been conducted directly or formally yet. Affected communities were considered indirectly in our double materiality assessment. Our internal experts maintain regular contact with external stakeholders, and their views are indirectly incorporated into our decision-making and strategy development.
[//E4-19a+b IRO-1]	Information on sites in or near biodiversity-sensitive areas are disclosed in the topical standard E4. As potential impact on biodiversity was deemed low, no mitigation measures are deemed necessary. ▶ SEE ESRS E4 – SBM-3 – MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL
E5 Resource use and circular economy	
Description of the processes to identify and assess material resource use and circular economy-related IROs [E5-11a+b IRO-1]	The methodologies, assumptions, and tools used in the screening process of assets and activities are consistent with those applied for ESRS E4. The involvement of stakeholders regarding E5 was conducted in alignment with our general approach and double materiality assessment process.[1]
G1 Business conduct	
Description of the processes to identify and assess material impacts, risks and opportunities [//G1-6 IRO-1]	The process for identifying material impacts, risks and opportunities related to business conduct matters followed the same process and criteria described in the 'Process of our double materiality assessment' section. Additionally, we specifically included: — Location: We take into account local regulations, market conditions, and socio-political factors of the locations where we operate. — Activity: We evaluate the specific business activities involved, such as manufacturing, marketing, and distribution, to identify potential impacts, risks and opportunities unique to each function. — Sector: We analyze industry-specific risks and opportunities, taking into account trends, the competitive landscape, and sector-specific regulations. — Transaction structure: We consider the nature and structure of transactions, including partnerships and other business arrangements. Impact, risk and opportunity management is a company-wide activity that utilizes key insights from the members of the Executive Board as well as from global and local business units and functions.[2]

1 For further information ▶ SEE ESRS 2 – GENERAL DISCLOSURES
2 For further information ▶ SEE RISK AND OPPORTUNITY REPORT

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's Sustainability Statement

We have determined the material information to be disclosed based on the impacts, risks and opportunities that we had assessed to be material and on the guidance of ESRS 1, section 3.2. The information presented reflects the full scope of these requirements. The assessment of the materiality of information did not lead to an exclusion of any disclosure requirement. The full list of ESRS disclosure requirements included in this report can be found here:

▶ SEE ESRS INDEX

In general, we followed the ESRS Disclosure and Application Requirements, including the Minimum Disclosure Requirements (MDRs) for policies, actions and resources, and metrics and targets for the material sustainability matters. Due to the overarching nature of some of the MDR-related data, general information is presented below and applicable to all topical standards. For detailed information on all existing policies, actions, and targets, please refer to the corresponding topical standard.

Minimum disclosure requirements – policies

Policies play a critical role in managing actual and potential impacts and risks as they provide a structured framework for guiding decisions and ensuring accountability. adidas has policies linked to most of its material IROs and they are implemented and monitored by the respective teams, according to their objective and scope, generally covering all activities and locations where adidas operates. The adidas Consequences Management Policy sets a four-step process to deal with any potential policy non-compliance. The process ensures that all parties involved – the employee, the investigation team, and the company as a whole – can trust the resulting consequences are fair, impartial, and consistent.

The four steps covered in the Consequences Management Policy encompass: determine the nature and severity of the policy violation; consider mitigating and aggravating factors; review prior similar cases; and determine appropriate consequences. The policy is applicable to all adidas employees and all material matters.

Minimum disclosure requirements – actions and resources

The management of the identified material IROs is supported by actions, which are presented in each topical standard. These actions are ongoing, unless stated otherwise.

Due to the nature of our business model, most environmental and social impacts related to human rights occur in our upstream supply chain. Consequently, OpEx and CapEx related to ESG topics mainly occur there. These include our independent manufacturing partners who might, as a consequence, increase their selling price for us. In this context, OpEx and CapEx in relation to the management of ESG topics for our own operations are not disclosed due to significance. This is well aligned with our disclosures around the EU Taxonomy provided in this Sustainability Statement. An overview of the teams responsible for managing the different ESG topics in the value chain can be found in each topical standard.

▶ SEE EU TAXONOMY

Minimum disclosure requirements – metrics and targets

Metrics and targets are also an integral part of the approach we apply to managing our material IROs. Our metrics, unless stated otherwise, are not validated by an external body other than the assurance provider. As for our targets, our target setting process is led by the responsible teams internally, which apply not only the latest scientific evidence, but also best industry practice, internal benchmarks, and other sources of reliable data. They collectively aim at addressing the specific IROs and therefore contribute to the broader

ESG agenda globally (local aspects are described in the topical standards, where relevant). Additionally, in the cases where certain stakeholders were involved in target setting, they are specifically mentioned in the respective topical standard.

For sustainability matters where no targets are currently established, we still track the effectiveness of our policies and/or actions through comprehensive processes for progress evaluation. The lack of targets is due to the nature of the matter (e.g., purely related to compliance) or the lack of accepted methodologies including industry standards to assess and manage the matter (e.g., microplastics), among other reasons. Where relevant, an ambition is set and also monitored. Targets and ambitions are explained in detail in each of the topical standards. For the targets where no baseline year or value is stated, the performance is measured on a yearly basis.

Overall, we systematically track and assess the effectiveness of actions, programs, and targets through several mechanisms that range from regular monitoring of applicable performance metrics and project management practices to after-action reviews. Furthermore, if any actual impact required the provision of remedy for those harmed by these impacts, a reference is given to relevant actions in the corresponding topical standard.

In instances where we made use of the exemptions outlined in ESRS 1 Appendix C – List of phased-in disclosure requirements (and Delegated Regulation (EU) 2025/1416), these are explicitly stated. Nevertheless, our commitment is to address all reporting requirements diligently and to provide the necessary context and information.

List of phased-in disclosure requirements

ESRS disclosure requirement	Information
ESRS 2 General disclosures	
SBM-3	ESRS 2 SBM-3 paragraph 48(e) (anticipated financial effects)
E1 Climate change	
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities
E2 Pollution	
E2-6	Anticipated financial effects from material pollution-related risks and opportunities
E3 Water and marine resources	
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities
E4 Biodiversity and ecosystems	
E4-6	Anticipated financial effects from material biodiversity and ecosystem-related risks and opportunities
E5 Resource use and circular economy	
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities
S1 Own workforce	
S1-7	Characteristics of non-employee workers in the undertaking's own workforce
S1-11	Social protection
S1-12	Percentage of employees with disabilities
S1-13	Training and skills development metrics
S1-15	Work-life balance

Datapoints from other EU legislation in accordance with ESRS 2 Appendix B

The following table provides an overview of all datapoints derived from other EU legislation listed in ESRS 2 Appendix B of this standard.

ESRS datapoints from other EU legislation

Disclosure requirement	Data point		Legislation	Materiality/ Applicability/ Disclosure
▶ ESRS 2, GOV-1	21 (d)	Board's gender diversity	SFDR/BRR	Obligatory
	21 (e)	Percentage of board members who are independent	BRR	Obligatory
▶ ESRS 2, GOV-4	30	Statement on due diligence	SFDR	Obligatory
▶ ESRS 2, SBM-1	40 (d) (i)	Involvement in activities related to fossil fuel activities	SFDR/P3/BRR	n.a.
	40 (d) (ii)	Involvement in activities related to chemical production	SFDR/BRR	n.a.
	40 (d) (iii)	Involvement in activities related to controversial weapons	SFDR/BRR	n.a.
	40 (d) (iv)	Involvement in activities related to cultivation and production of tobacco	BRR	n.a.
▶ ESRS E1-1	14	Transition plan to reach climate neutrality by 2050	ECL	Material
	16 (g)	Undertakings excluded from Paris-aligned benchmarks	P3/BRR	n.a.
▶ ESRS E1-4	34	GHG emission reduction targets	SFDR/P3/BRR	Material
▶ ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	SFDR	Material
	37	Energy consumption and mix	SFDR	Material
	40-43	Energy intensity associated with activities in high climate impact sectors	SFDR	Material
▶ ESRS E1-6	44	Gross Scope 1, 2, 3, and total GHG emissions	SFDR/P3/BRR	Material
	53-55	Gross GHG emissions intensity	SFDR/P3/BRR	Material
▶ ESRS E1-7	56	GHG removals and carbon credits	ECL	Material
▶ ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	BRR	Phase-In; not disclosed
	66 (a); 66 (c)	Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk	P3	Phase-In; not disclosed
	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes	P3	Phase-In; not disclosed
	69	Degree of exposure of the portfolio to climate-related opportunities	BRR	Phase-In; not disclosed
▶ ESRS E2-4	28	Amount of each pollutant listed in annex II of the E-PRTR regulation emitted to air, water, and soil	SFDR	Not material
▶ ESRS E3-1	9	Water and marine resources	SFDR	Material
	13	Dedicated policy	SFDR	Not material
	14	Sustainable oceans and seas	SFDR	Not material
▶ ESRS E3-4	28 (c)	Total water recycled and reused	SFDR	Not material
	29	Total water consumption in m^3 per net revenue on own operations	SFDR	Not material

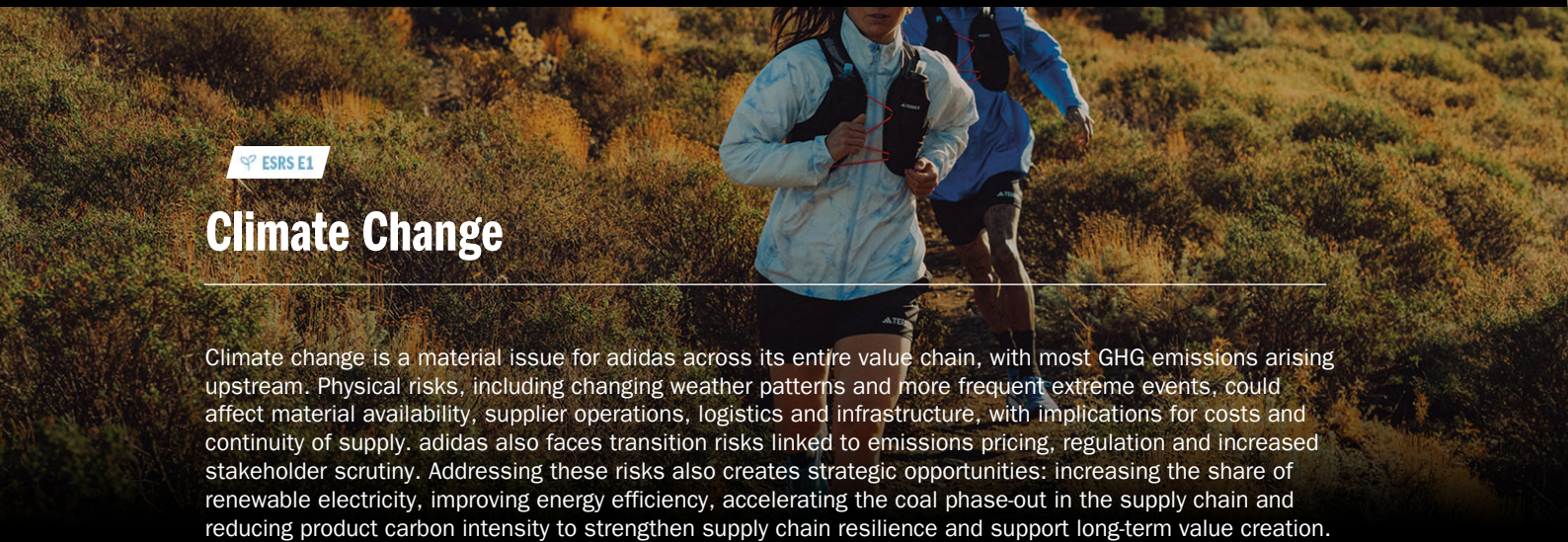
ESRS datapoints from other EU legislation

Disclosure requirement	Data point		Legislation	Materiality/ Applicability/ Disclosure
▶ ESRS E4, SBM-3 (ESRS 2)	16 (a) (i)	Activities negatively affecting biodiversity-sensitive areas	SFDR	Material
	16 (b)	Land degradation, desertification, or soil sealing	SFDR	Material
	16 (c)	Threatened species	SFDR	Material
▶ ESRS E4-2	24 (b)	Sustainable land/agriculture practices or policies	SFDR	Material
	24 (c)	Sustainable oceans/seas practices or policies	SFDR	Material
	24 (d)	Policies to address deforestation	SFDR	Material
▶ ESRS E5-5	37 (d)	Non-recycled waste	SFDR	Not material
	39	Hazardous waste and radioactive waste	SFDR	Not material
▶ ESRS S1, SBM-3 (ESRS 2)	14 (f)	Risk of incidents of forced labor	SFDR	Not material
	14 (g)	Risk of incidents of child labor	SFDR	Not material
▶ ESRS S1-1	20	Human rights policy commitments	SFDR	Material
	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	SFDR	Material
	22	Processes and measures for preventing trafficking in human beings	SFDR	Not material
	23	Workplace accident prevention policy or management system	SFDR	Material
▶ ESRS S1-3	32 (c)	Grievance/complaints-handling mechanisms	SFDR	Material
▶ ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	SFDR/BRR	Material
	88 (e)	Number of days lost to injuries, accidents, fatalities, or illness	SFDR	Material
▶ ESRS S1-16	97 (a)	Unadjusted gender pay gap	SFDR/BRR	Material
	97 (b)	Excessive CEO pay ratio	SFDR	Material
▶ ESRS S1-17	103 (a)	Incidents of discrimination	SFDR	Material
	104 (a)	Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	Not material
▶ ESRS S2, SBM-3 (ESRS 2)	11 (b)	Significant risk of child labor or forced labor in the value chain	SFDR	Material
▶ ESRS S2-1	17	Human rights policy commitments	SFDR	Material
	18	Policies related to value chain workers	SFDR	Material
	19	Non-respect of UNGPs on Business and Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	Material
	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	BRR	Material
▶ ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	SFDR	Material
▶ ESRS S3-1	16	Human rights policy commitments	SFDR	Material
	17	Non-respect of UNGPs on Business & Human Rights, ILO principles, or OECD guidelines	SFDR/BRR	Material
▶ ESRS S3-4	36	Human rights issues and incidents	SFDR	Material
▶ ESRS S4-1	16	Policies related to consumers and end-users	SFDR	Material
	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	SFDR/BRR	Material
▶ ESRS S4-4	35	Human rights issues and incidents	SFDR	Not material
▶ ESRS G1-1	10 (b)	United Nations Convention against Corruption	SFDR	Material
	10 (d)	Protection of whistleblowers	SFDR	Material

ESRS datapoints from other EU legislation

Disclosure requirement	Data point		Legislation	Materiality/ Applicability/ Disclosure
▶ ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	SFDR/BRR	Material
	24 (b)	Standards of anti-corruption and anti-bribery	SFDR	Material

SFDR – Sustainable Finance Disclosure Regulation
BRR – Banking Regulatory Reporting
P3 – Pillar 3 Disclosure Requirements
ECL – European Climate Law



ESRS E1

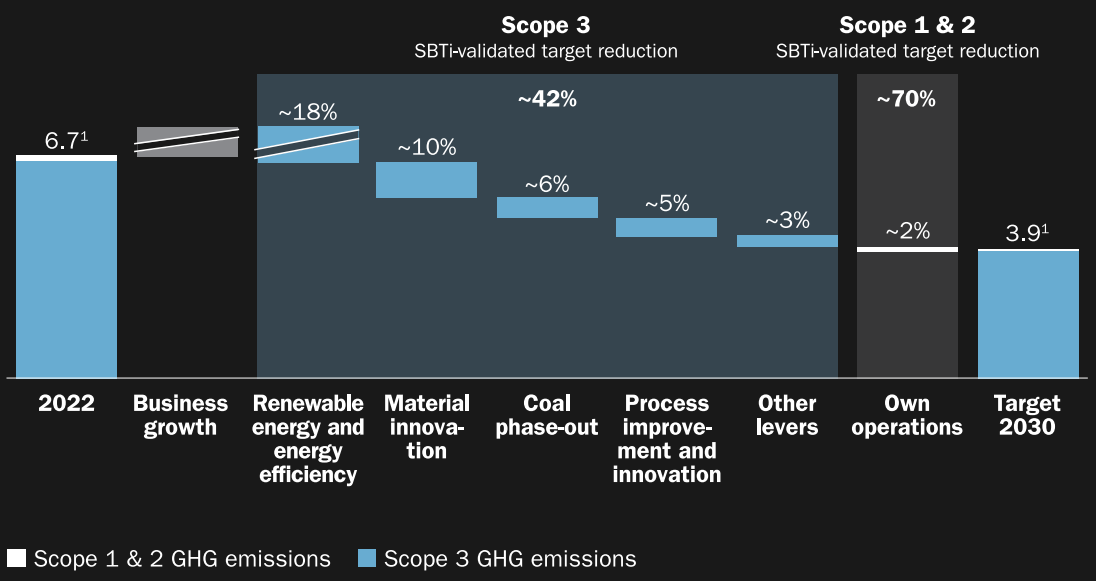
Climate Change

Climate change is a material issue for adidas across its entire value chain, with most GHG emissions arising upstream. Physical risks, including changing weather patterns and more frequent extreme events, could affect material availability, supplier operations, logistics and infrastructure, with implications for costs and continuity of supply. adidas also faces transition risks linked to emissions pricing, regulation and increased stakeholder scrutiny. Addressing these risks also creates strategic opportunities: increasing the share of renewable electricity, improving energy efficiency, accelerating the coal phase-out in the supply chain and reducing product carbon intensity to strengthen supply chain resilience and support long-term value creation.

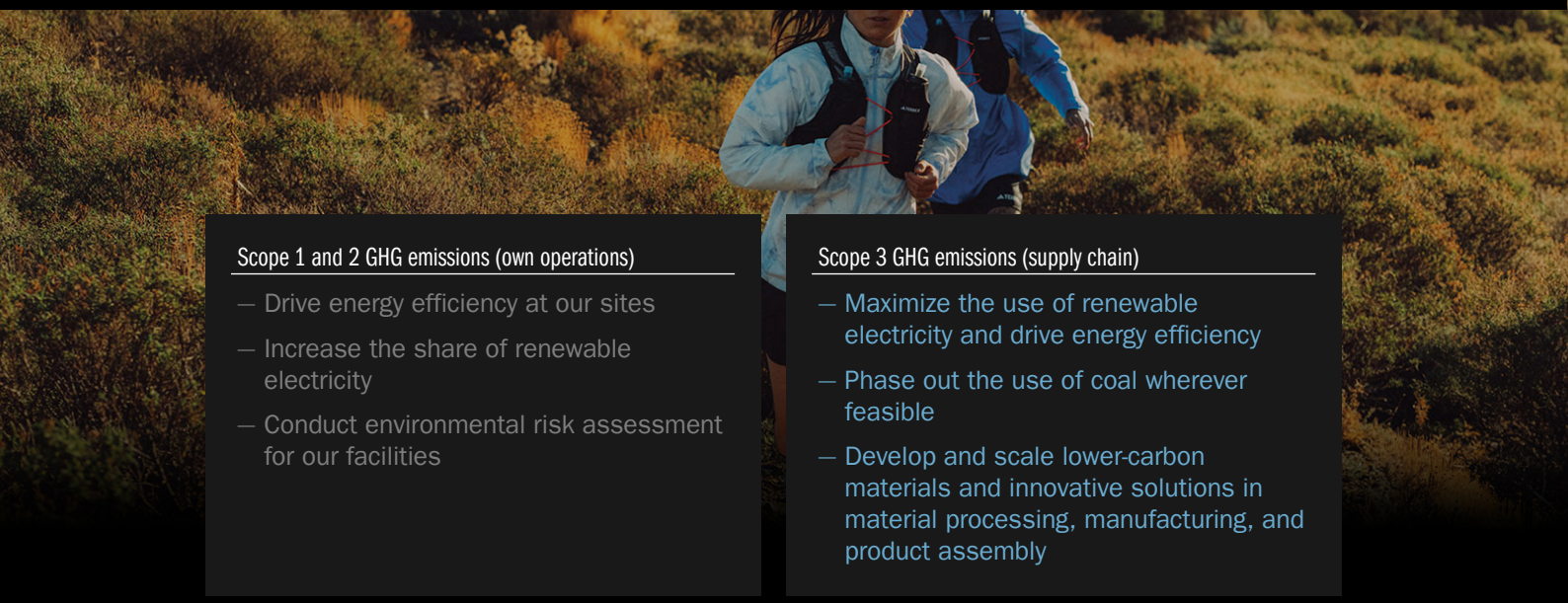
Our climate strategy levers and actions

Our climate strategy is based on the defined decarbonization levers and actions to reduce GHG emissions across the value chain, with a focus on Scope 3 GHG emissions in our upstream value chain.

adidas climate strategy levers and targets 2030



1 CO_2e in million tons.



Scope 1 and 2 GHG emissions (own operations)

- Drive energy efficiency at our sites
- Increase the share of renewable electricity
- Conduct environmental risk assessment for our facilities

Scope 3 GHG emissions (supply chain)

- Maximize the use of renewable electricity and drive energy efficiency
- Phase out the use of coal wherever feasible
- Develop and scale lower-carbon materials and innovative solutions in material processing, manufacturing, and product assembly

Targets

Our climate strategy targets are validated by the SBTi and in line with a 1.5°C pathway – the most ambitious goal established by the Paris Agreement – contributing to a net-zero[1] future.

Climate strategy targets

ACHIEVED

9% reduction

in carbon intensity per product by 2025

Progress during the year was supported by the delivery against key mitigation levers, including significant advances in phasing out coal from our suppliers (where feasible), increasing the use of renewable electricity across our own operations and supply chain, and continuing to scale lower-carbon materials.

Baseline 2022, in kg CO_2e

Scope 1 and 2 GHG emissions

2025 result	2030 Target
-22%	-70%

Baseline 2022

Scope 3 GHG emissions

2025 result	2030 Target
-5%	-42%

Baseline 2022

Long-term ambition

net-zero

GHG emissions by 2050

1 Net-zero: As per SBTi, net-zero GHG emissions are achieved when human-caused GHG emissions are balanced by removing the same quantity of emissions from the atmosphere over a specified period ('net-zero' future). This is necessary at the global level to stabilize temperature increase at 1.5°C. In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90%) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

ESRS 2 – General disclosures

The climate crisis is one of the greatest challenges of our time, and managing its impacts for our business operations is a strategic priority for adidas. In 2025, we published the new adidas Climate Transition Action Plan (CTAP), outlining our aim to achieve net-zero by 2050, ensure a just transition, and build climate resilience across our value chain. Endorsed by the Executive Board, the plan is fully integrated into our business strategy and governance, recognizing that meaningful progress depends on strong collaboration within and across industries.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Climate change and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description[1]
Energy	Negative Impact	Actual	n.a.	Upstream and downstream	Upstream energy consumption occurs mainly at raw material production and manufacturing processes that still partially rely on non-renewable energy sources. Downstream energy use occurs during the product use and end-of-life phases (e.g. washing and disposal of products).
Energy	Risk	n.a.	Mid-term	Own operations	Energy risks in our own operations could relate to: — (T) Increased stakeholder scrutiny: Although our own energy consumption is relatively low compared to our value chain, the expectation from various stakeholders is that we maintain our long-term approach in managing and reporting energy use in a systematic way and that we show progress toward reducing it. Failure to do so could lead to reputational risks. — (T) Higher operating costs
Climate change mitigation	Negative Impact	Actual	n.a.	Upstream and downstream	The majority of adidas' total GHG emissions originate from upstream activities such as raw material processing, manufacturing, and product assembly processes, while a lower portion occurs downstream during the product use and end-of-life phases.
Climate change mitigation	Risk	n.a.	Long-term	Upstream	Climate change mitigation risks in our upstream value chain could be related to: — (T) Exposure to carbon pricing mechanisms and carbon-related regulation and litigation: We expect an increase in regulations from authorities aiming at preventing or reducing GHG emissions. This could lead to increased exposure to direct and indirect carbon pricing as well as product-related regulations and requirements. In turn, these could result in increased operating costs and reporting requirements. An increase in regulation could also lead to higher exposure to litigation for non-compliance, both for adidas and our business partners.
Climate change mitigation	Risk	n.a.	Mid-term	Own operations	Climate change mitigation risks in our own operations could relate to: — (T) Increased stakeholder scrutiny: Although our Scope 1 and 2 GHG emissions are a very small portion of our overall GHG emissions, the expectation from various stakeholders is that we maintain our long-term approach in managing and reporting Scope 1 and 2 GHG emissions in a systematic way and that we show progress toward reducing them. Failure to do so could lead to reputational risks.
Climate change adaptation	Risk	n.a.	Long-term	Upstream	Climate change adaptation risks in our upstream value chain could relate to: — (P) Physical damage to our business partners' properties and disruption of their business operations: Extreme weather events and changes in overall weather patterns could increasingly lead to damages to our business partners' properties and disruptions of their business operations. In turn, these could result in higher operating costs for business partners and, eventually, in higher cost of sales for adidas. — (P) Interruptions in our supply chain: Extreme weather events and changes in weather patterns could lead to business interruptions and disruptions within our supply chain, such as interruptions in key transport routes or port operations. In turn, these could result in lower revenues and higher insurance and operating costs for business partners and, eventually, in higher cost of sales for adidas. — (P) Harm to and lower productivity of our business partners' workforce: An increase in average temperatures and heat waves worldwide could harm our business partners' workforce and reduce their productivity. — (P + T) Increased cost of materials and low-carbon technologies: Changes in weather patterns could reduce the availability of existing materials, which may result in increased costs. At the same time, the higher demand (and potentially limited availability) for low-carbon technologies could lead to higher operating costs for our business partners and, eventually, result in higher cost of sales for adidas.

SBM-3 – Climate change and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description[1]
Climate change adaptation	Risk	n.a.	Long-term	Own operations	Climate change adaptation risks in our own operations could relate to: — (P) Physical damage to our own properties and business disruptions in own operations: Extreme weather events and changes in overall weather patterns could increasingly lead to damage to our own properties (such as office buildings, DCs, and retail stores) and inventories and business disruptions in our own operations. In turn, these could result in lower revenues, as well as higher insurance and operating costs. — (P) Harm to and lower productivity of our own workforce: An increase in average temperatures and heat waves worldwide could harm and reduce the productivity of our own workforce.
Climate change adaptation	Risk	n.a.	Long-term	Downstream	Climate change adaptation risks in our downstream value chain could relate to: — (T) Changes in consumer preferences and product demand: The transition to a low-carbon economy could influence consumers' preferences and expectations toward brands and products, negatively impacting sales and market share if expectations are not met.

1 Physical risk (P), Transition risk (T).

Our climate scenario and subsequent resilience analysis, finalized in mid-2024, covered our entire value chain and all the physical and transition risks identified in the risk and opportunity identification process.[22] We used a climate modeling tool to assess our exposure to those risks across three GHG emission scenarios (low, intermediate, and high GHG emissions) and three different timeframes (2030, 2040, 2050) which are aligned with our climate strategy milestones and targets (2030 and 2050).

Using input from the tool, we created a digital visual representation ('digital twin') of adidas' business model and operational footprint: locations of key assets such as distribution centers, sourcing countries, and production regions of main materials, locations of strategic suppliers' facilities, as well as transportation routes. Risks and opportunities were quantified, where possible, and aggregated to inform the resilience analysis and strategic planning in alignment with TCFD recommendations.

Key assumptions for the climate scenario analysis:

— The basis was our current asset base and value chain, excluding potential changes in sourcing or materials due to industry volatility.

— Varying business growth rates were considered for the period until 2030 and from then onwards until 2050. In addition, the analysis factored in different growth assumptions between net sales on the one hand and production volumes on the other hand. For the GHG emission growth projection until 2030, production and sales forecast numbers were included until 2025, and a constant business growth rate was assumed for the subsequent years. The current product division mix and material mix are assumed to remain constant.

— We did not assume any production or process efficiency improvements for suppliers and other business partners. We also did not assume technology-driven yield improvements in the production of raw materials.

— We only considered the achievement of our climate strategy and planned outcomes of risk handling actions when assessing the potential financial impact of selected transition risks (e.g., increased shareholder scrutiny, increased exposure to carbon pricing and increased costs of low carbon materials

[22] The climate modeling tool included indicators based on the latest IPCC recommendations. For physical risks, it included the exposure to selected climate hazards – such as wind, flood, avalanche, landslide, extreme temperature, wildfire, snowfall, earthquake, and soil liquefaction – using more specific climate indicators. For transition risks, it used the Shared Socioeconomic Pathways (SSP) scenarios and the six scenarios explored in the third version of the Network for Greening the Financial System (NGFS) to compute bespoke transition indicators.

and technologies). For all the other assessed risks we did not assume any expected future outcomes of actions currently in place.

— Depending on the analyzed risk and the associated tiering within the upstream supply chain, cost pass-through assumptions were considered on a case-by-case basis to quantify the potential impact on adidas.

Scenario overview:

— Low-emission scenario (RCP2.6-SSP126): This future is in line with a 1.5°C pathway and characterized by a GHG emissions level that remains stable until 2020, then declines and becomes negative by 2100. An early introduction of climate policies, which become increasingly stringent over time, would lead to the mitigation of both transition and physical risks. This scenario implies strong collective action, with transition risks more likely to occur in the short to medium term and a potential reduction of the severity of physical risks occurring in the long term.

— Intermediate-emission scenario (RCP4.5-SSP245): GHG emissions peak around 2040, followed by a decline. In this scenario, strong climate policies are not in place, yet the exhaustible character of non-renewable fuels is considered. If limited global action is taken, transition risks would decline in the short term. Inaction, however, would increase the severity and frequency of physical risks in the long term.

— High-emission scenario (RCP8.5-SSP585): This future projects a worst-case or business-as-usual scenario in which GHG emissions continue to rise throughout the 21st century. It assumes that no major efforts to reduce GHG emissions are taken, resulting in severe global warming.

Key transition risks assessed (TCFD-aligned) include: energy costs for suppliers, carbon pricing exposure (Scope 1-3), costs to transition to low-carbon technologies/materials, transportation costs, and shareholder scrutiny. These were evaluated under all scenarios using NGFS data to quantify potential impacts.[23]

It is important to note that although the climate scenarios diverge from each other in the near to mid-term, the resulting risks and impacts on our business remain relatively similar across scenarios until 2050, with more pronounced differences expected only in the long term (2070-2100). The climate scenario analysis showed that, irrespective of the selected GHG emissions scenario, risks become more relevant from 2030 onwards.

The insights gained from the climate scenario analysis were then used to perform our resilience analysis. We assessed each material risk, its trend related to the different emission scenarios, and our ability to manage such risks in the future, considering the nature of our business model as well as the actions described later in this chapter related to our specific strategies, such as the climate and biodiversity strategies. The scope and timeframe applied were the same as those used in our climate scenario analysis, as explained earlier. By considering all the aforementioned aspects, we were able to assess our overall resilience to climate change.

▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

[23] Central Banks and Supervisors Network for Greening the Financial System (NGFS) is a global coalition of central banks and financial supervisors that work together to strengthen the financial system's ability to manage climate- and environment-related risks and to support the transition toward a sustainable, low-carbon economy.

SBM-3 Resilience analysis

Identified risks[1]	Trend[2]	Risk-handling actions
(P) Physical damage and business disruption in our own or business partners' properties	The risk is more significant in a high-emission scenario and in the 2050 timeframe.	— Regular update of climate risk assessment and to inform location decisions — Insurance coverage for property damage and business interruption
(P) Interruptions in our supply chain	The risk is more significant in a high-emission scenario and in the 2050 timeframe.	— Diversification in the logistics portfolio — Incident and crisis response — Business continuity plans
(P, T) Increasing costs of materials and high costs of low-carbon technologies	The risk is quite stable across the three different emission scenarios and timeframes.	— Flexibility in the materials portfolio — Material cost forecasts — Focus on material and technology innovation
(P) Harm to and lower productivity of our own and business partners' workforce	The risk is more significant in a high-emission scenario and in the 2040/2050 timeframes.	— Insurance coverage — Training and education — Use of adequate heating and cooling systems
(T) Exposure to carbon pricing mechanisms, carbon-related regulations, and litigation	The risk is more significant in a low-emission scenario, combined with a scenario where adidas does not meet its corresponding GHG emissions reduction targets.	— Continuous monitoring of regulatory landscape — Delivery of the climate transition plan — Continuous review and adaptation of sourcing and logistics infrastructure — Continuous review and implementation of the sustainable material roadmap as part of the climate transition plan — Avoidance of major dependencies on one sourcing country/region
(T) Stakeholder scrutiny and activism	The risk is more significant in a low-emission scenario, combined with a scenario where adidas does not meet its corresponding GHG emission reduction targets.	— Transparent communication of climate transition plan and its year-on-year delivery
(T) Lack of ability to adapt to changes in consumer preferences and product demand	The risk is prevalent in all emission scenarios.	— Consumer Insights to monitor market developments — Climate transition plan — Product and marketing innovation — Continuous consumer engagement and dialogue

1 Physical risk (P), Transition risk (T).

2 Analysis based on emission scenarios and timeframes. See E1 SBM-3 Climate change and material impacts, risks and opportunities (IROs) table for more information about each risk.

Based on the analysis of the results, we conclude that our business model is sufficiently resilient to climate change for the foreseeable future. The main aspects that drive our resilience are the nature of our business model, with its inherent agility and flexibility in terms of, e.g., product design, material selection, and sourcing locations, as well as the actions we take related to our climate strategy. In addition, our capital management policy ensures a strong capital base and efficient access to capital markets, which is essential for sustaining future business development and adapting to potential climate impacts.

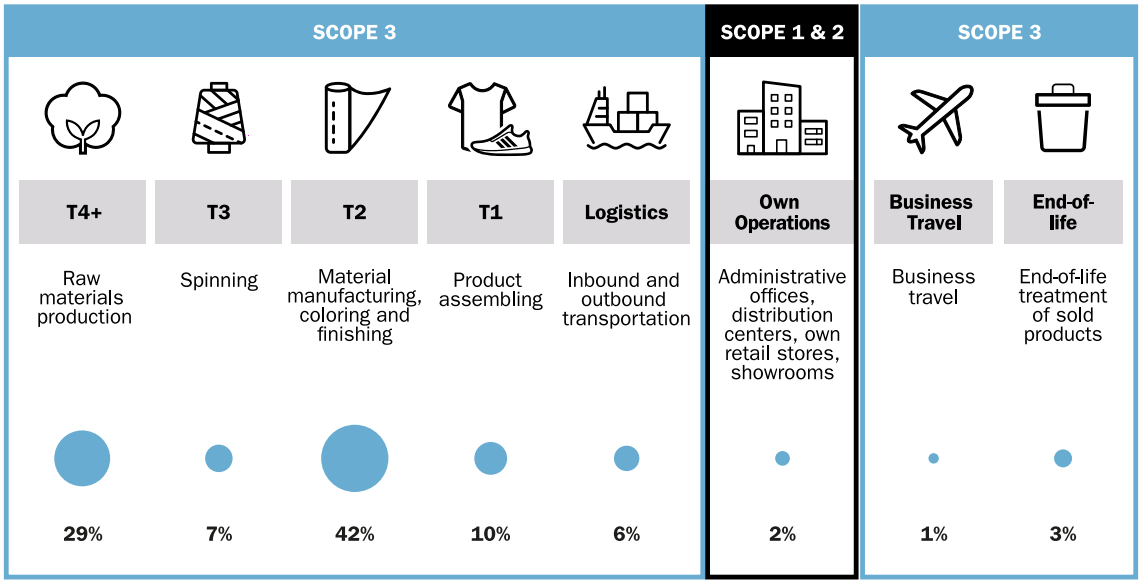
While our scenario analysis is an effective tool for providing guidance and direction on our exposure to climate-related risks, it cannot precisely estimate future costs and investments due to uncertainties in national climate policies and macroeconomic effects. These factors remain difficult to model accurately and may influence the global decarbonization pathway.

E1-1 – Transition plan for climate change mitigation

We intend to contribute to climate change mitigation by implementing, optimizing, and scaling proven solutions and collaborating on the development of long-term alternatives.

The majority of adidas' GHG emissions originate from upstream activities, such as raw material cultivation and extraction, processing and preparation, as well as product assembly, while GHG emissions stemming from our own operations account for around 2% of total GHG emissions.

adidas 2025 total GHG emissions along the value chain[1]



1 Excluding GHG emissions related to the use of sold products.

In 2025, we reviewed, updated, and publicly released our new Climate Transition Action Plan (CTAP). Led and orchestrated by the Sustainability and ESG team and developed in close collaboration with key functions including Product Development & Sourcing, Supply Chain Management, Workplaces, and Finance, the CTAP aligns our climate strategy with broader strategic, operational, and financial objectives. The CTAP is informed by our climate scenario analysis and transition risk assessments, ensuring that the mitigation actions identified are robust and consistent with the potential near- and long-term risks and opportunities across our value chain. The plan was endorsed by the Executive Board.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY

Our climate strategy aims to reduce emissions in line with a 1.5°C pathway, contributing to a net-zero future. adidas confirms that it is not excluded from the EU Paris-Aligned Benchmarks, reaffirming the alignment of our CTAP with the goals of the Paris Agreement. Targets validated by the Science Based Targets initiative (SBTi) include:

Long-term ambition:

— We aim to achieve net-zero GHG emissions (Scope 1, 2, and 3) for the entire value chain by 2050.[24]

[24] In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

Near-term ambition:

— We aim to reduce absolute GHG emissions across the supply chain (Scope 3)[25] by 42% by 2030, measured against a baseline of 2022.

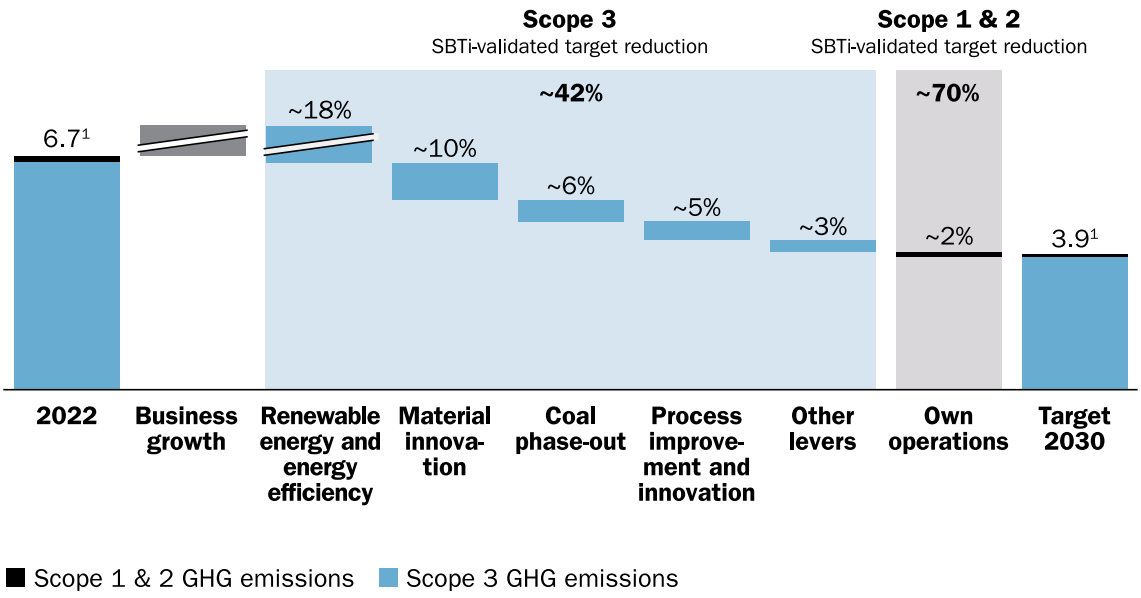
— We aim to reduce absolute GHG emissions across our own operations (Scope 1 and 2) by 70% by 2030, measured against a baseline of 2022.

We apply the established methodologies to account for GHG emissions, based on the GHG Protocol, and include all GHG categories that are material to adidas' business, as presented later in this chapter.

▶ SEE ESRS E1-6 – GROSS SCOPE 1, 2, 3 AND TOTAL GHG EMISSIONS

The Supervisory Board defined carbon intensity per product as a performance criterion for the Long-term Incentive Plan (LTIP) of the Executive Board. In addition, as a reflection of the importance of our ESG roadmap, including our climate strategy, in 2024, the Sustainability and ESG team began reporting directly to the CEO, ensuring strategic oversight and integration. This team leads the orchestration, tracking, and refinement of our climate strategy, embedding action plans across all relevant business functions.

adidas climate strategy levers and targets 2030[1]



1 CO_2e in million tons.

Financial considerations for our climate strategy

The implementation of our climate strategy will require continued investments, both within our own operations as well as in relation to our upstream value chain levers. For own-operations measures, these investments are managed by adidas, while the upstream value chain measures are to a large extent to be funded directly by our suppliers. This can have an indirect impact on us through the cost of products, which is reflected in the cost of sales of adidas. Due to the evolving nature of the topic and to be able to better account for market developments (e.g., increasing access to renewable energy in different regions,

[25] The target boundary includes biogenic emissions and removals from bioenergy feedstocks.

improvements of different countries' energy mix), technological developments, and changes in our own and our suppliers' asset portfolio, investments are decided on and implemented in due course and on an ongoing basis. An exact quantification of expected impacts on cost of sales, OpEx, and CapEx until 2030 is yet to be defined. However, we consider the impact to be manageable due to the expected overall development of the company and its financial position over time, the available time to implement mitigation actions, and expected efficiency gains in our supply chain. The funding of the adidas climate strategy is intended to be largely driven by operational cash flow generation. Taking our credit metrics, liquidity profile and financial policies into consideration, our ability to fund our climate strategy is determined to be sufficient.

As adidas' core business activities are not currently eligible under the EU Taxonomy, the Taxonomy KPIs included in this report do not materially indicate the strength or effectiveness of our climate strategy. While alignment of eligible activities would not significantly affect progress toward our climate targets, we remain focused on the initiatives that, in our view, most effectively support the delivery of our climate goals.

▶ SEE EU TAXONOMY

In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets. There is no risk from any potential locked-in GHG emissions from our products toward the achievement of our targets, and no specific actions to manage locked-in GHG emissions from the use phase of our sold products are deemed necessary. In addition, any potential locked-in GHG emissions from key assets of our physical infrastructure related to property, plant, and equipment as well as right-of-use assets (leased assets) affect Scope 1 and 2 emissions within the own-operations decarbonization lever. These GHG emissions account for less than 2% of the adidas corporate footprint and therefore do not represent a material risk to the achievement of our climate strategy targets. Please refer to the following section on the progress of our actions:

▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Impact, risk and opportunity management

E1-2 – Policies related to climate change mitigation and adaptation

E1-2 – Policies related to climate change

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Climate Strategy (EE, RE, CCM, CCA)	Provides a long-term vision and overview on our GHG emissions and plans to meet SBTi targets.	Entire value chain	SVP Sustainability and ESG	GHG Protocol	SBTi	Available for all employees
adidas Climate Transition Action Plan (EE, RE, CCM, CCA)	A strategic roadmap that sets out how adidas aims to reduce greenhouse gas emissions across our value chain in line with the 1.5°C pathway and achieve net-zero by 2050.	Entire value chain	SVP Sustainability and ESG	GHG Protocol	SBTi	Accessible on corporate website
Global Energy Policy (RE, CCM)	Sets energy and renewable energy purchasing standards across all facilities operated by adidas.	Own operations	Executive Board member Global Human Resources, People and Culture	RE100 Technical Criteria	n.a.	Available for all employees
Integrated Management System Global Policy (EE)	Sets standards for adidas entities worldwide to manage operations in a safe, healthy, energy-efficient and environmentally responsible manner and continuously improve practices. In the context of climate, adidas specifically has an Environmental and Energy Management System in line with ISO standards in place.	Own operations	Executive Board member Global Human Resources, People and Culture	ISO 14001, ISO 45001, ISO 50001	n.a.	Available for all employees

E1-2 – Policies related to climate change

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Rooftop Solar Guideline (RE, CCM, CCA)	Supports suppliers in transition toward renewable energy solutions and gives practical guidance.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Available on supplier SharePoint
Coal Replacement Guideline (RE, CCM, CCA)	Supports suppliers to replace coal as an energy source, showing alternatives and giving practical guidance.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	UNFCCC Fashion Charter; Sustainable Biomass Guidelines	adidas suppliers	Available on supplier SharePoint
Environmental Guidelines (EE, CCM)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes sustainable resource use.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Accessible on corporate website
Supplier Manifesto (RE, CMM, CMA)	Sets expectations toward our suppliers regarding GHG emissions reduction (Tier 1 and 2 suppliers).	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	n.a.	adidas suppliers and external experts	Directly shared with suppliers
Renewable Energy Transition and Energy Attribute Certificates Guideline (RE, CCM, CCA)	Gives guidance on the transition to effective renewable energy and the use of energy attribute certificates.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	RE100 Technical Criteria; and relevant policies	adidas suppliers	Available on supplier SharePoint

1 Material matters addressed by policies and guidelines are abbreviated as follows:
EE – Energy Efficiency
RE – Renewable Energy
CCM – Climate Change Mitigation
CCA – Climate Change Adaptation

E1-3 – Actions and resources in relation to climate change policies

Our actions and measures that are guided by our climate change policies aim to address all identified material impacts, risks, and opportunities, such as improving our management of energy, reducing GHG emissions, mitigating our negative climate impacts, and adapting to climate-related risks as described in SBM-3 Resilience Analysis Table. Stakeholders affected are mainly our upstream suppliers and internal business areas. If not indicated otherwise, all actions mentioned are intended to be ongoing without a set completion date.

The levers presented in our climate strategy aim to reduce GHG emissions in the near term and lay the foundation for achieving our ambition to become net-zero by 2050. In this regard, we recognize the need for continuous innovation, cross-industry collaboration, and policy support.

Climate and financial impacts are integrated into adidas' budgeting and financial planning processes. Initiatives within our operational control are first evaluated for feasibility, environmental benefits, and financial impacts before funding requirements are incorporated into the annual budgeting cycle. For Scope 3, we are working with industry peers and sector initiatives to explore financing and incentive models that can support decarbonization across the supply chain.

Scope 1 and 2 GHG emissions related actions

— Data coverage: In 2025, we increased primary energy data coverage for our own retail sites by two percentage points compared to the previous year, reaching 45% globally. Data coverage for administrative offices and distribution centers is 100%, while data for showrooms and smaller offices was estimated.

— Renewable energy and energy efficiency: At our own sites, we continuously increase the share of renewable electricity. In 2025, we expanded our on-site solar PV at the distribution center in Colón and

implemented efficiency upgrades across regions, as well as secured on-site Power Purchase Agreements (PPAs) for our Herzogenaurach headquarters and the e-commerce Fulfillment Center (EFC) in Rieste. Our European Virtual Power Purchase Agreement (VPPA) project became operational in 2025, resulting in a 23% reduction in absolute emissions across our European operations for the year. The North American VPPA is scheduled to become operational in 2026.

— Environmental risk assessment: We carry out environmental risk and opportunity assessments for our facilities (by 2025, 317 facilities were covered by ISO 50001 and 75 facilities were covered by ISO 14001) to identify improvement opportunities and, at an early stage, any potential risks which could affect our ability to meet our GHG emissions reduction targets.

Scope 3 GHG emissions related actions

— Renewable energy (RE) and energy efficiency (EE): We collaborate with our key Tier 1 and Tier 2 suppliers to adopt energy-efficient equipment and processes. Our Environmental Good Practices Guidelines (EGPG) provide a comprehensive list of best practices for reducing energy use. We encourage suppliers to periodically conduct energy audits, identify energy-reduction initiatives, and implement them. Our suppliers are also asked to scale up the use of electricity from RE sources and move toward our aspirational goal of maximizing RE usage, wherever possible, by 2030. During 2025, suppliers participating in our environmental program sourced 26.4% of their electricity from renewable sources through on-site electricity generation and/or procurement via PPAs, as well as high-quality Energy Attribute Certificates (EACs) where sourcing or scaling up of electricity from rooftop solar and/or RE PPAs was not possible/limited. 8% of the electricity used by our key suppliers is sourced from rooftop solar PV systems, with the majority of our suppliers having maximized the viable potential of rooftop solar PV electricity generation within existing policy constraints. In many of our sourcing countries, governments have initiated targeted policies to transition their national power grids toward renewable sources. The steady – albeit slow – progress on the path to greening the grids will provide additional, external tailwind for our supplier base to increase the usage of RE.

— Coal phase-out: Coal-based thermal energy remains a material source of Scope 3 emissions in the manufacturing of adidas products. In line with our Climate Transition Action Plan, adidas implemented a dedicated coal phase-out program with Tier 1 and Tier 2 suppliers to replace coal-fuelled boilers with lower-carbon energy solutions, such as biomass or natural gas, wherever feasible. By the end of 2025, most of targeted supplier sites had either completed the transition or were exited from the supply base, making this a key driver of product carbon-intensity reduction.

— Process improvement and innovation: Developing and scaling innovative solutions in material processing, manufacturing, and product assembly can help adidas reduce its GHG emissions. Through our innovation team, we scout, pilot, and explore the scaling of such innovations as part of our climate strategy.

— Material innovation: Scaling the use of low-carbon materials. The materials we use in our products are a key contributor to our carbon footprint. This impact is mainly attributable to the use of five materials: (animal) leather, recycled polyester, ethylene-vinyl acetate (EVA), cotton, and rubber. In 2025, we continued our efforts to evaluate low-carbon material alternatives, including recycled and bio-based options. As part of this commitment, we have made significant progress in transitioning from virgin polyester, with 99% of all polyester – our most widely used material – sourced from recycled polyester since 2023.

▶ SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY ▶ SEE ESRS E5-4 – RESOURCE INFLOWS

— Other levers:

- Inbound transportation: Most of our transportation is by sea and truck, and only a very small proportion is by air freight (2% in 2025). We recognize the role that biofuels and alternative fuels could play in reducing emissions from maritime transport. Therefore, in 2025, we began exploring with our logistics partners the feasibility, benefits, and constraints of a progressive transition. We also focus on continuously improving our planning and go-to-market capabilities to minimize the use of air freight for delivering products.

- Packaging: Although packaging accounts for only a small proportion of our GHG emissions, we focus on using more recycled and sustainably sourced renewable materials,[26] while optimizing box sizes and the number of shipments. In 2025, 85% of our primary cardboard packaging was recycled, while 98% of our polybags were made of recycled plastic.

Industry collaboration-related actions

— Suppliers' SBTi targets: We regularly engage with various industry experts and provide assistance to our key suppliers to establish their SBTi targets. In 2025, we completed the delivery of the SBTi upskilling program for our suppliers, providing them with the skills needed to identify and quantify their Scope 1, 2, and 3 GHG emissions and to build roadmaps for reducing these emissions.

— Advocacy and industrial engagement: adidas collaborates with industry associations and organizations to support government policies that accelerate the energy transition, including those related to PPAs and rooftop solar projects. We are part of several organizations that promote lower-carbon processes and renewable energy in sourcing countries and across the industry. adidas is a member of the UNFCCC Fashion Industry Charter for Climate Action Steering Committee and the Fashion Pact, both focused on enabling suppliers to adopt renewable energy and advocating for stronger energy policies. We are also a member of Fashion for Good (FFG) to help identify and scale innovations in materials and production processes for the industry. As a member and ESG Committee chair of the World Federation of the Sporting Goods Industry (WFSGI), adidas helps shape the WFSGI decarbonization strategy and roadmap, supporting the industry's collective decarbonization efforts.

— Circular business models: adidas supports the ecosystem and different organizations to set up the necessary infrastructure to enable circular business models, extend the life cycle of products, and aim to reduce GHG emissions at end-of-life. We will continue refining our approach and identifying relevant actions to be implemented across our entire value chain operations.

▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

— Advocacy and 'just transition': We are committed to contributing to a net-zero future by creating pathways that are inclusive, equitable, and just. This means empowering communities, protecting workers' rights, and fostering sustainable opportunities (a 'just transition'). To achieve this, we collaborate with a range of external stakeholders, including athletes, sports organizations, and civil society partners, to support community-based initiatives that strengthen resilience and promote sustainability through sport.

— Move For The Planet: This global initiative is focused on sustainability education through sport and on improving places where we play sports. Its goal was to encourage adidas' stakeholders to sign up for the Move For The Planet challenge and turn collective movement into collective impact for local communities. As a result of the 2025 activation, more than 2.8 million participants worldwide tracked almost 735 million minutes of movement on the adidas Running app and STRAVA. adidas pledged to donate € 1 to its partner organizations Common Goal and United Nations Climate Change for every ten minutes of

[26] Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

movement logged – up to € 1.5 million. The funds support projects that provide education on sustainability through sport and help make sports facilities more resilient against extreme weather conditions, such as heat waves and flooding.

— Data and transparency-related actions

— Product footprint calculation: Data and transparency are critical enablers for translating our climate strategy into measurable action. Decisions made during product design and development have a significant influence on environmental impact and our carbon footprint. We use an in-house tool to measure the environmental footprint, including GHG emissions, of our footwear and apparel products. Aligned with ISO 14067:2018 and independently verified, this tool is integrated into our product creation systems to enhance speed, accuracy, and decision-making. It also supports key accounts and partners by providing product-level data for Scope 3 emissions reporting, fostering shared accountability for reducing impact.

— Data accuracy: We collaborate with our suppliers to gather primary data on fuel consumption, electricity use and its sources, water, waste, chemicals, and other inputs to track their progress on our sustainability and decarbonization initiatives. We drive better data accuracy by providing our suppliers with clear guidance and making them accountable for timely and accurate reporting. We also engage with third-party assessors to verify that these data are documented in line with the defined standards.

Metrics and targets

E1-4 – Targets related to climate change mitigation and adaptation

For setting our climate strategy targets, we follow the SBTi guidance to be aligned with the 1.5°C pathway. Accordingly, offsets and avoided emissions do not count toward our science-based targets. In addition, the following assumptions were applied:

— We calculated the absolute reduction needed based on a defined business growth assumption and corresponding production forecasts (aligned with the business growth assumptions used in the already presented scenario analysis).

— We made assumptions on how our main sourcing countries will evolve in the coming years, supplemented by insights derived from a third-party study on the development of the energy grid.

We also consulted suppliers to validate our climate strategy as well as to increase their commitments and engagement. We monitor the effectiveness of these actions by tracking and reporting applicable milestones.

In addition to mitigation, we implement ongoing adaptation measures that address physical climate risks, as outlined in the SBM-3 Resilience Analysis table. While adidas has not set specific adaptation targets, these measures contribute to strengthening resilience across our operations and supply chain.

For further details on our GHG emissions accounting and target-setting approach:

▶ SEE ESRS E1-6 – GROSS SCOPE 1, 2, 3, AND TOTAL GHG EMISSIONS

For a detailed description of our climate strategy levers and actions

▶ SEE ESRS E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION ▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

E1-4 – Targets related to climate change mitigation and adaptation

Scope	Climate strategy targets[1, 2, 3]	2025	2024	Baseline[4]	Change vs. baseline
Scope 1 and 2 GHG emissions (in tons CO_2e)	By 2030, reduction of 70% from the 2022 baseline	127,983	135,814	164,149	(22%)
Scope 3 GHG emissions (in tons CO_2e)	By 2030, reduction of 42% from the 2022 baseline	6,236,869	5,248,523	6,578,270	(5%)
Scope 1 to 3 GHG emissions per product ('carbon intensity'; in kg CO_2e)[5]	By 2025, reduction of 9% from the 2022 baseline	5.87	6.11	6.45	(9%)
Scope 1 to 3 GHG emissions (in tons CO_2e)	By 2050, achieve net-zero GHG emissions across our value chain[6]	6,364,851	5,384,337	6,742,419	(6%)

1 GHG emission reduction targets, including Scope 2 GHG emissions, use market-based emissions.

2 GHG emission reduction targets, including Scope 3 GHG emissions, have a target boundary that includes biogenic emissions and removals from bioenergy feedstocks.

3 In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets.

4 2022 was selected as the baseline year as it reflects typical operating conditions, with no material anomalies affecting emissions or production.

5 Refers to products produced.

6 In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

We met our 2025 target and achieved a 9% reduction in Scope 1-3 product carbon intensity (baseline 2022). This outcome is driven by the implementation of decarbonization measures across the value chain and our ongoing effort to decouple emissions intensity from business growth.

Progress during the year was supported by delivery against key mitigation levers, including significant advances in phasing out coal from our suppliers, where feasible, increasing the use of renewable electricity across our own operations and supply chain, and continuing to scale lower-carbon materials.

adidas remains committed to advancing its climate change mitigation actions and long-term decarbonization ambition. The company will monitor evolving market, technological, and regulatory developments along the entire value chain to support measurable progress and ensure our transition approach remains informed and responsive over time.

E1-5 – Energy consumption and mix

E1-5 – Energy consumption[1] in our own operations (MWh)

	2025	2024	Baseline[2]	Change vs. baseline
Fossil energy source				
Fossil electricity	202,263	244,741	291,377	
Natural gas	66,612	63,993	59,834	
Heating oil	4,292	4,322	4,391	
Diesel (emergency generator)	264	360	371	
District heating	9,419	25,655	26,652	
Diesel (company vehicles)	9,320	10,434	16,034	
Gasoline/petrol (company vehicles	14,375	15,179	16,503	
Nuclear sources[3]	17,904	40,529	—	
Total fossil energy consumption	**324,449**	**405,213**	**415,162**	**(22%)**
Renewable energy source				
Wood chips for combustion (heating)	41	43	38	
Green electricity bundled	5,876	5,296	65,226	
Green electricity from VPPAs	32,612	—	—	
Green electricity unbundled	115,216	77,575	11,388	
Green gas	—	—	10,327	
Green district heating	18,934	—	—	
On-site solar PV consumption from self-generation	11,158	9,152	8,398	
Total renewable energy consumption	**183,837**	**92,066**	**95,377**	**93%**
Total energy consumption	**508,286**	**497,278**	**510,539**	**(0.4%)**

1 Energy consumption is determined in accordance with the Lower Heating Value (LHV) of the fuel, as specified in IPCC Guidelines, Annex II.
2 2022 was selected as the baseline year as it reflects typical operating conditions, with no material anomalies affecting emissions or production.
3 Data on nuclear sources is measured from 2024 onward.

Through solar PV plants on our facilities' rooftops, we produced a total of 15,751 MWh of electricity in 2025 (2024: 13,683 MWh). Of this amount, 11,158 MWh were directly used by our own sites (2024: 9,152 MWh), and 4,593 MWh were supplied into the public power grid (2024: 4,530 MWh).

adidas is part of the high-climate-impact sectors of 'manufacturing' (textile and apparel, leather, and footwear products) and 'wholesale and retail trade.' While we do not have significant own manufacturing activities, our business model is based on the sourcing, distribution, and selling of finished goods produced by independent, third-party suppliers. In that regard, the net revenue related to high-climate-impact sector activities is equal to our net sales presented in the consolidated income statement.

Energy intensity per net revenue[1]

	2025	2024	Change
Energy intensity per net revenue (MWh per million in €)	20.5	21.0	(2%)

1 Net revenue represented by adidas net sales (2025: € 24,811 million).

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions

E1-6 – Gross Scope 1, 2, 3 and total GHG emissions[1]

	Retrospective					Milestones and climate strategy target years			
	2025	2024	Change	Baseline	Change vs. baseline	2025	2030	2050	Annual % target/ baseline year
Scope 1 emissions (in tons CO_2e)	**20,839**	**20,844**	**—%**	**21,856**					
Scope 2 emissions, market-based (in tons CO_2e)	**107,143**	**114,970**	**(7%)**	**142,293**					
Administrative offices	13,843	21,301	(35%)	13,354					
Distribution centers	5,222	18,994	(73%)	21,647					
Own retail stores	87,432	72,890	20%	104,480					
Showrooms	646	1,785	(64%)	2,812					
Scope 2 emissions, location-based (in tons CO_2e)	**166,752**	**164,079**	**2%**	**164,400**					
Administrative offices	25,461	25,069	2%	24,005					
Distribution centers	25,752	25,911	(1%)	28,614					
Own retail stores	114,021	111,287	2%	108,885					
Showrooms	1,518	1,812	(16%)	2,896					
Scope 1 and 2 emissions, market-based (in tons CO_2e)	**127,983**	**135,814**	**(6%)**	**164,149**	**(22%)**		**(70%)**		**(9%)**
Scope 1 and 2 emissions, location-based (in tons CO_2e)	**187,591**	**184,923**	**1%**	**186,256**					
Scope 3 emissions (in tons CO_2e)	**6,236,869**	**5,248,523**	**19%**	**6,578,269**	**(5%)**		**(42%)**		**(5%)**
Purchased goods and services	5,618,143	4,710,261	19%	6,041,553					
Upstream transportation and distribution	383,810	316,684	21%	343,556					
Business travel	63,092	66,332	(5%)	36,158					
Use of sold products[2]	1,128,317	994,948	13%	1,057,515					
End-of-life treatment of sold products	171,823	155,246	11%	157,002					
Total emissions without use of sold products (market-based in tons CO_2e)	**6,364,851**	**5,384,337**	**18%**	**6,742,418**	**(6%)**			**Net-zero[3]**	**(3%)[4]**
Total emissions without use of sold products (location-based in tons CO_2e)	**6,424,460**	**5,433,446**	**18%**	**—**					
Carbon intensity (in kg CO_2e)[5]	**5.87**	**6.11**	**(3.9%)**	**6.45**	**(9%)**	**(9%)**			**(3%)**

1 Details are provided in the explanatory notes to our reported gross Scope 1, 2, 3 and total GHG emissions.

2 In line with SBTi, emissions from Category 3.11 'Use of sold products' are excluded from our near- and long-term reduction targets.

3 In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90%) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

4 Assumes a cut of all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct reduction actions before neutralizing the residual GHG emissions.

5 Total emissions (market-based) per product produced.

Explanatory notes to our reported gross Scope 1, 2, 3 and total GHG emissions

Our GHG emissions are reported in alignment with the methodologies provided by the GHG Protocol and the requirements laid out by ESRS E1-6.

— In the reporting year, there were no significant changes in connection with our value chain or scope of consolidation that would result in a change to the methodology used to present past progress in meeting our climate strategy targets.

▶ SEE ESRS E1-1 – TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

— Scope 1 and 2 GHG emissions relate to our own operations including administrative offices, distribution centers, production sites, and own retail stores. The emissions are calculated based on 78% of reported environmental quantities (primary data) in our own operations' the Health and Safety, Environment, and Energy (HSEE) data collection systems. The calculation for the remaining 22% uses estimations by scaling up the primary data collected at the facility or site level to a company-wide level on the basis of gross lease area (in m^3). In 2025, our market-based electricity emissions were accounted through the use of contractual instruments. The share of purchased or acquired electricity compared to the overall electricity was as follows: 2% for green tariffs, 31% for unbundled energy attribute certificates, and 9% for VPPA in Europe. In addition, we apply emission factors from different sources in our calculation. For Scope 1 GHG emissions, we use emission factors published by the GHG Protocol, for Scope 2, we use emission factors from the International Energy Agency (IEA) related to emissions from electricity, and from the Department for Environment, Food and Rural Affairs (DEFRA) related to emissions from district heating.

— Scope 3 GHG emissions relate to certain upstream and downstream value chain categories, which are significant due to their magnitude (see below). Wherever available, adidas uses primary data in the calculations (examples of primary data used include the annual material consumption, annual sales volumes, energy consumption of key suppliers, and shipping data for inbound logistics). Collected primary data are complemented by and matched with life cycle assessment (LCA) data in a tool specifically developed for calculating GHG emissions. In addition, emission factors from different sources are used such as DEFRA, IEA and the Product Environmental Footprint Category Rules (PEFCR).

— Scope 3 GHG emissions include the following significant categories:

- Purchased goods and services: This category considers the production and processing of raw materials, for which impacts are estimated based on quantities of materials and life-cycle analysis data. The reporting-year values cover production seasons SS25 and FW25. All key production processes are factored in. Primary, secondary, and tertiary packaging-material quantities are also included. The quantities are estimated based on sales volumes, using composition and weight assumptions from the PEFCR. Furthermore, this category also considers the assembly phase, for which impacts are estimated by applying emission factors to reported energy consumption from Tier 1 strategic suppliers. Sourcing volume data is used to estimate the impact of non-strategic suppliers (< 20%).

- Upstream transportation and distribution: This category considers inbound and outbound transportation of products. For calculating GHG emissions, quantities of shipped products for specified distribution routes are combined with transport emission factors.

- Business travel: This category includes emissions from air travel by adidas employees. Emission calculations are based on the business-travel data system.

- Use of sold products: This category relates to emissions caused by washing, drying, and ironing of sold products throughout their lifetime. The calculation is based on average care-cycle data from PEFCR and life-cycle analysis datasets. In line with our SBTi-validated targets, we exclude Scope 3 GHG emissions from the use of sold products in our total (Scope 1-3) GHG emissions calculation.

- End-of-life treatment of sold products: This category relates to emissions caused by the disposal of sold products, and the calculation uses estimates based on sales volumes and typical waste disposal routes (e.g., landfill and incineration).

— Scope 3 GHG emissions related to the following categories are considered insignificant for adidas based on their estimated magnitude and/or other GHG Protocol and ISO criteria. Accordingly, these categories are excluded from the reported data: Capital goods, Fuel- and energy-related activities, Waste generated in operations, Employee commuting, Upstream leased assets, Downstream transportation, Processing of sold products, Downstream leased assets, Franchises, and Investments.

— The percentage of Scope 3 emissions calculated using primary data is determined based on the share of emissions for which adidas uses company- or supplier-specific activity data, such as material consumption, energy consumption, transport weights, travel activity, and sales volumes. Where such activity data is combined with emission factors from LCA databases, adidas distinguishes between the origin of activity data and the source of emission factors: the activity data is classified as primary, while the emission factors are treated as secondary inputs used to convert activity data into CO_2e emissions. The resulting emission figures from this combination are classified as being calculated from ‘primary data’. In categories where both primary and secondary activity data are used, conservative weighting assumptions are applied. Applying this approach results in 85.5% of Scope 3 emissions being calculated using primary data.

— adidas has no Scope 1 GHG emissions related to regulated emissions-trading schemes.

— adidas discloses Scope 1 and 2 GHG emissions related to the financial reporting scope as outlined in Principles of Consolidation Note 02 in this report. GHG Emissions as described in ESRS E1-6 50.b do not apply.

▶ SEE NOTE 02

— Biogenic emissions in Scope 1-3 are not reported separately due to immateriality.

GHG emissions intensity per net revenue[1]

	2025	2024	Change
GHG emissions intensity per net revenue (tons CO_2e per million in €)	257	227	13%

1 Net revenue represented by adidas net sales (2025: € 24,811 million)

E1-7 – GHG removals and GHG mitigation projects financed through carbon credits

adidas has no GHG removal or storage initiatives in place and does not plan to implement any in the mid-term future. In addition, adidas neither purchases nor plans to purchase carbon credits in the foreseeable future to support its climate strategy or to account for them in its GHG emission calculation.

Our climate strategy details our actions and targets to reduce future GHG emissions, which are aligned with the 1.5°C pathway and contribute to a net-zero future. As per the SBTi guideline, we will only consider the purchase and retirement of carbon credits in the long term (including the applicable methodology and framework) to neutralize any potential residual GHG emissions for which reduction actions are not viable (with a maximum of 10% against the baseline year 2022).

E1-8 – Internal carbon pricing

In order to achieve the targets of the adidas climate strategy, the various measures and actions presented earlier are driven along milestones with clearly defined accountabilities. Progress against these milestones is monitored, tracked, and reported regularly to ensure the timely and effective execution. Moreover, embedding the carbon intensity target into the Executive Board's LTIP serves as an additional steering instrument to ensure that the impact on our climate strategy is a relevant factor in our decision-making (e.g., material selection, investment in renewable energy). We are confident that this approach is sufficient for implementing the needed actions. Accordingly, we do not consider the introduction of an internal carbon-pricing scheme to add value to the execution of the adidas climate strategy at this point in time.



ESRS E2

Pollution

Substances of concern, pollutants from agriculture and production, and microfiber shedding can have adverse effects on the environment. At the same time, regulatory expectations and demand for transparency around chemical use in the supply chain continue to grow. To minimize negative impacts and address evolving market expectations, we work closely with our suppliers and industry partners to advance responsible water and chemical management practices.

Targets

adidas targets focus on preventing and minimizing water pollution and the use of substances of concern by our Tier 1 and Tier 2 suppliers.

ACHIEVED

Quality of wastewater discharge

90%

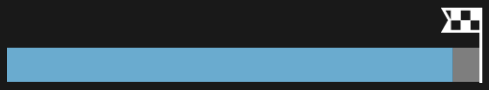
2025 target achieved

The target was designed to improve the quality of wastewater from selected Tier 1 and Tier 2 suppliers, by achieving recognized industry standards.

(Metric based on number of facilities.)

Chemical input management

2025 result	2025 target
75%	**80%**



The target focused on eliminating the use of restricted substances in our supply chain by increasing the use of alternative chemicals that meet the highest conformance level according to ZDHC MRSL Standard.[1]

(Metric based on number of chemical formulations.)
1 ZDHC – Zero Discharge of Hazardous Chemicals group.

Key metrics and actions

The actions we take are designed to prevent and minimize pollution, avoid the depletion of natural resources, and further minimize the impacts of our suppliers in the upstream value chain.

Quality of wastewater

- Bi-annual compliance checks and reporting from suppliers
- Support to suppliers to drive continuous improvement
- Public disclosure of quality performance on third-party platform

Chemical input

- Robust chemical management from input to final product
- Monthly data reporting and monitoring on chemical usage in production
- Annual onsite verification checks

Microfiber

- Collaboration with industry and academic institutions to advance test methods
- Industry initiative to develop standardized protocols to measure microfiber release

Industry engagement

We collaborate with industry organizations, such as the ZDHC Group and the Leather Working Group, to promote responsible water and chemical management in textile facilities and tanneries. For the third consecutive year, we achieved the Champion Level in the ZDHC ‘Brands to Zero’ program.

ESRS 2 – General disclosures

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Pollution and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Pollution of water	Negative impact	Actual	n.a.	Upstream	Upstream impacts on water happen either during agricultural or production processes. In agricultural processes, the impact comes mainly from the use of chemicals that can compromise the quality of fresh water. In production processes, the impact is mainly present during the dyeing and tanning phases, as these are water-intensive processes and lead to potential discharge of chemicals.
Substances of concern	Negative impact	Actual	n.a.	Upstream	Multiple chemicals used in our production (Tier 1, Tier 2 and raw material production) are classified as substances of concern. They are difficult to substitute in our industry, as alternatives either do not exist or are costly and/or difficult to obtain and manage. The use of substances of concern leads to adverse impacts on the environment.
Substances of concern	Risk	n.a.	Long-term	Upstream	For adidas, the risk associated with the use of substances of concern could be related to: — Stricter regulations, either in sourcing or importing countries, potentially leading to higher operating costs for suppliers and/or market accessibility challenges. — Increased requirements for traceability and transparency of substances of concern throughout the supply chain, leading to higher operating costs for adidas.
Microplastics	Negative impact	Actual	n.a.	Upstream and downstream	Microfibers are generated during the production and use phase of adidas products. Due to the lack of a holistic methodology in the textile industry, it remains difficult to define the exact extent and nature of the impact.

Impact, risk and opportunity management

E2-1 – Policies related to pollution

E2-1 – Policies related to pollution

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives[2]	Stakeholder consideration	Availability
Environmental Guidelines (P, S)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes wastewater and chemical management and adidas restricted substances.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	ZDHC Wastewater Guidelines and ZDHC Chemical Management System Technical Guide, ZDHC MRSL, ISO 14001	ZDHC and adidas suppliers	Accessible on corporate website
Policy for the Control and Monitoring of Hazardous Substances (AO1) (S)	Prohibits the use of chemicals considered harmful or toxic and includes the restrictions of using animal-derived materials.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	External stakeholders (NGOs), legislation, and consumers expectations	Accessible on corporate website

1 Material matters addressed by policies and guidelines are abbreviated as follows:
P – Pollution of Water
S – Substances of Concern

2 Explanation of acronyms for third-party standards and initiatives:
ZDHC – Zero Discharge of Hazardous Chemicals Group
WFSGI – World Federation of the Sporting Goods Industry
IUCN – International Union for Conservation of Nature
ILO – International Labour Organization
AFIRM – Apparel and Footwear International RSL Management

adidas Environmental Guidelines

adidas commits to reducing the environmental impacts of our upstream manufacturing activities. Our policies and guidelines lay out business practices that apply to our suppliers, with whom we closely partner and to whom we provide training for continuous improvement. We set clear expectations for our suppliers regarding the management of pollution-related impacts across water, air, and soil. First, our suppliers as well as their partners should adhere to the respective local regulations and legal requirements, at a minimum. adidas always aims to adopt the industry standard if it is stricter than local regulations. Second, our suppliers must adhere to the adidas Environmental Guidelines, which have been developed to minimize and mitigate environmental impacts. The adidas Environmental Guidelines draw on good industry practices and provide guidance on preventing pollution. They also establish environmental and chemical management systems, including the handling of substances of (high) concern. Our approach prioritizes the proactive prevention of pollution incidents and lays out guardrails to minimize the impact of emergencies if they occur.

To ensure compliance with our guidelines and policies, our suppliers are required to conduct audits and assessments (managed by third-party verifiers) on a yearly basis. Any facilities that fail to meet our expectations must immediately follow the mitigation process defined in the adidas Workplace Standards and the Remediation Guide and take action to address any adverse impact. In addition, we encourage our suppliers to develop pollution prevention strategies. Our regional teams track and monitor our suppliers' environmental performance through monthly reporting into the adidas data-collection platform.

▶ SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION

Control and monitoring of hazardous substances in our supply chain and products

adidas is highly committed to responsible chemical management across its global supply chain, taking an end-to-end approach to eliminate any restricted substances used in production. As a founding member of the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation, we have been actively supporting the development of industry standards on chemical management and wider policy requirements since 2011. Our engagement includes promoting standardized measurement across the apparel and footwear industry by developing and implementing a commonly accepted testing methodology and related acceptable thresholds, as well as setting strict industry requirements that go beyond legal mandates. Since 2015, adidas has adopted the ZDHC MRSL (Manufacturing Restricted Substances List) industry standard, which outlines the chemical substances prohibited from any intentional use in the processing of textiles, leather, rubber, foam, adhesives, and trims. adidas additionally uses its own comprehensive restricted substance policy in products – the adidas Policy for the Control and Monitoring of Hazardous Substances[27] to avoid and control the use of any restricted substances, such as APEO, PFAS etc., in its products and to ensure consumer safety, going beyond the legal requirements.

This dual approach also reinforces adidas' commitment to PFAS-free production, in response to growing awareness and regulation around the environmental and health impacts of perfluorinated compounds (PFCs). We continue to enhance product performance while collaborating with industry partners to identify and implement safer alternatives.

Other guidelines

To monitor wastewater effluent (chemical output management), we apply the ZDHC Wastewater Guidelines Version 2.2 which establishes a unified approach to wastewater parameters and limits. These guidelines ensure a high standard of wastewater quality treatment, minimizing environmental harm when wastewater is discharged from suppliers' facilities. We collaborate with the ZDHC Foundation to drive industry engagement to improve the wastewater quality standards beyond legal requirements.

[27] Restricted substances list can be found on our website. ▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES

End-to-end chemical management requires not only controlling inputs and outputs, but also oversight during production processes, where pollution incidents can occur through chemical leaks or emissions. To mitigate these risks, adidas expects suppliers to implement comprehensive environmental, health and safety (EHS) management systems as well as continual risk management and remediation measures. These expectations are laid out in our adidas Environmental Guidelines, the ZDHC Chemical Management System Technical Guide and our Health and Safety Guidelines.

▶ SEE ESRS S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

By stipulating process control through guidelines, we aim to prevent contamination incidents and uphold the chemical safety standards throughout our supply chain.

Microplastics[28] – Microfiber Position Paper

adidas recognizes that the release of microplastics – also referred to as microfiber shedding or fiber fragmentation – during production, consumer use, and end-of-life is a multidimensional environmental challenge. Scientific research[29] shows that both synthetic and natural fibers shed, and that biodegradability does not eliminate environmental risk. A holistic and standardized approach is essential to accurately quantify the release of microfibers and assess its environmental impact. However, the industry currently lacks a comprehensive, reliable, and scalable methodology for the different stages of the value chain, hindering effective action. Over the past few years, adidas has actively partnered with different industry experts, including The Microfibre Consortium (TMC), the Zero Discharge of Hazardous Chemicals Group (ZDHC), and Fashion for Good (FFG), to collectively drive progress in microfiber research and testing development. In addition, the ZDHC Group and TMC have recently partnered to explore practical indicators of microfiber release from production, based on wastewater metrics.

In 2025, we published the adidas Microfiber Position Paper internally to share our approach to this topic and to reinforce our commitment to transparency and collective action. adidas is committed to implementing evidence-based interventions, standardized pollution measurement methodologies, and fostering industry collaboration across the sector. As research into microfiber shedding continues to evolve, adidas aims to define a policy, actions, and targets to avoid or minimize microfiber release during production and provide consumers with clear guidelines for product use and disposal.

E2-2 – Actions and resources related to pollution

As outlined in our adidas Environmental Guidelines, our actions aim to prevent and minimize pollution, avoid the depletion of natural resources, and further minimize the impacts of our suppliers in the upstream value chain.

The coordination and monitoring of actions is performed by our Sourcing Sustainability team, which operates within our key sourcing countries. Unless explicitly described otherwise, all checks, tests, and verifications of the measures described were carried out by an independent third party for both pollution prevention and minimization of substances of concern. The majority of actions are reported and monitored on a monthly basis, with the exception of wastewater testing and annual verification checks. All of the measures described are designed to be ongoing in order to achieve adidas' targets.

[28] ▶ OCEANCONSERVANCY.ORG
[29] ▶ MICROFIBRECONSORTIUM.COM

Pollution prevention

In the reporting year, adidas carried out the following actions based on our standard practices:

— We conducted an annual environmental compliance check with 80% of Tier 1 and Tier 2 facilities, based on sourcing value.[30] No critical findings regarding air, water, or soil pollution were identified in the 2025 annual assessments, consistent with the results from 2024.

— To increase environmental transparency and accountability in our supply chain, since 2015 we have encouraged our suppliers' facilities located in China to report their water pollution data annually to the IPE Pollutant Release and Transfer Register (PRTR) platform. In 2025, 85% of our suppliers' facilities disclosed their performance metrics on the PRTR platform. We expect that this disclosure will drive supplier differentiation and showcase each supplier's individual environmental commitment. Based on our suppliers' disclosure in the PRTR, adidas was ranked number one in 2025 in the IPE CITI rating.

— Since 2017, in line with the ZDHC Wastewater Guidelines and the 'right to know' principle, we expect our Tier 2 suppliers (80% of Tier 2 suppliers performing wet processes, based on sourcing value) to test their wastewater twice a year and to disclose the results on the Institute of Public & Environmental Affairs (IPE) DETOX platform or the ZDHC Gateway platform. In the event of a noncompliance case, the supplier is required to address the issue and perform a follow-up audit to confirm the new wastewater quality results.

— To strengthen wastewater management across our supply chain, we have partnered with service providers, e.g., ZDHC-approved laboratories and third-party consultants, to guide suppliers in advancing their wastewater treatment capabilities. Through on-site evaluations and consultations, suppliers receive tailored guidance to enhance their treatment capabilities and operational practices. This support is designed to improve the quality of their wastewater, enabling it to be recycled or safely discharged, surpassing legal requirements. The findings are also shared at our regional supplier summit to foster knowledge exchange among industry peers. The initiative covers 80% of Tier 1 and Tier 2 suppliers with wet processing facilities, based on sourcing value.

— We have implemented an effluent treatment plant evaluation initiative to enhance the operation of on-site effluent plants. This initiative contributed to adidas' goal of having 90% of its suppliers achieve the ZDHC Wastewater Foundational Level for their wastewater quality by 2025. Furthermore, it aims at facilitating suppliers' continuous improvement in wastewater quality monitoring and control, ensuring environmental standards are met.

▶ SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION

— Furthermore, adidas has been a member of the Leather Working Group (LWG) since 2006. The LWG certification emphasizes responsible water and chemical management in tanneries, particularly through wastewater treatment practices, aiming to reduce water pollution derived from tanning processes.

Our action to lay the foundation for our future focus:

To drive continuous improvement in minimizing the environmental impact, adidas has reviewed its current approach to monitoring the water pollutants in its supply chain. Building on our ongoing adoption of the ZDHC Wastewater Guidelines and in alignment with SBTN's science-based targets for nature framework, we are introducing targeted controls for the two common pollutants nitrogen and phosphorus. We have defined a clear target for our facilities to reach the ZDHC Aspirational Level for both pollutants, reaffirming our commitment to reducing discharges into bodies of water.

[30] Unless described otherwise, this scope always applies in E2-2 and E2-3 when referring to 'Tier 1 and Tier 2 suppliers'.

For information on our approach to addressing actual or potential negative impact on affected communities with regard to water and sanitation, please refer to:

▶ SEE ESRS S3-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS

Minimization of the use of substances of concern

In the reporting year, adidas carried out the following actions based on our standard practices:

— We continuously take a precautionary approach and monitor the chemical formulations used in our production to avoid any restricted substances from being intentionally used. We adhere to the latest version of the ZDHC MRSL for our restricted substances list. Each year, our suppliers (80% of Tier 1 and Tier 2 suppliers with chemical usage facilities, based on sourcing value) undergo an on-site assessment focusing in particular on their chemical usage, compliance status, and improvement progress.

— Our Tier 1 and Tier 2 suppliers continued to report on their chemical inventory and consumption on a monthly basis through a third-party online chemical inventory platform (BV Ecube). We monitor our chemical profiles monthly to avoid any intentional use of restricted substances and to ensure overall compliance, environmental protection, and worker safety. Additionally, annual ZDHC MRSL targets are established at the facility level to promote the adoption of safer chemicals. Their usage performance is also reviewed monthly.

— We actively engage and collaborate with several industry organizations. This includes our engagement with the ZDHC Group, which has been externally recognized, and for which we received the Champion Level in the ZDHC ‘Brands to Zero’ program in 2025.[31] This is the third consecutive year that adidas achieved the highest level in this program, demonstrating our efforts to drive chemical management in our supplier base and our achievement in avoiding any restricted substances used in our manufacturing process. Besides our engagement with the ZDHC Group, we actively collaborate with key industry organizations including the Apparel and Footwear International Restricted Substances Management Working Group (AFIRM), the International Chemical Secretariat (ChemSec) Business Group, the Better Cotton Initiative (BCI), and the LWG. Our collective efforts with organizations that shape the environmental requirements for our raw materials are important to advance chemical management in the industry and to minimize the use of substances of concern in production processes. For more information:

▶ SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS ▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Our action to lay the foundation for our future focus:

In response to evolving requirements, adidas took a decisive step in 2025 to define a clear target for managing substances of concern in our supply chain. Building on our continued adoption of the ZDHC MRSL, this target will assist in guiding our facilities to source chemicals that meet the highest level of the MRSL. As part of this commitment, we have established a target to limit the use of substances of concern to no more than 5%. We expect this action to reinforce our efforts to reduce environmental and health impacts associated with chemical use.

[31] Our achievement in implementing the MRSL conformance has been recognized and featured on ZDHC’s official communication channel. ▶ LINKEDIN.COM

Microfiber approach

In previous years, adidas conducted extensive internal research, using advanced analytical techniques, such as Fourier Transform Infrared (FTIR) spectroscopy, to distinguish textile-derived particles from background contamination. These efforts have helped to build a more accurate understanding of fiber fragmentation. The findings also provided foundational insights to support the development of methodologies to measure shedding during the consumer use phase.

In the reporting year, adidas carried out the following actions to establish a standardized industry approach to addressing microfiber pollution:

— To advance industry knowledge and solutions, adidas collaborated with TMC, FFG, and academic institutions as part of the 'Behind the Break' initiative in 2025, exploring fiber fragmentation. Through this collaboration, adidas contributed research findings and participated in evaluating shedding test methods focusing on identifying potential root causes associated with the manufacturing process of various fiber types.

— adidas partnered with TMC and the ZDHC program to launch a twelve-month wastewater study project, which will be finalized in 2026. adidas plays a key role in the project to contribute a supply chain perspective and aims to translate conceptual ideas into actionable items. This includes adopting Dynamic Image Analysis (DIA) to monitor fiber output in effluent streams, with the goal of developing reliable and standardized microfiber measurement protocols. Since there is currently no universal standard for testing microfiber in industrial wastewater, the ZDHC uses total suspended solids (TSS) as a practical indicator of microfiber release. Lower TSS levels in ZDHC wastewater test results reflect the reduction of microfiber discharge, making TSS a potentially critical metric for evaluating progress.

Metrics and targets

E2-3 – Targets related to pollution

We aim to proactively work with our Tier 1 and Tier 2 suppliers to reduce environmental pollution, including pollutants to water and chemicals resulting from our manufacturing activities, wherever possible. Our methods and targets are based on two approaches: Prevention to minimize pollution and regular monitoring of the improvement progress.

adidas has set two targets to minimize emission into water and use of substances of concern, as well as to support the objectives of the adidas Environmental Guidelines. Both targets, quality of wastewater discharge and chemical input management, were developed considering the ZDHC MRSL and Wastewater Guidelines and are supported by baseline assessments and industry benchmarks. Moreover, suppliers were involved based on maturity and readiness assessments. Lastly, both targets apply ZDHC guidelines as their main guiding principle, as they are based on the latest scientific studies of the apparel and footwear industry. The guidelines are reviewed by the ZDHC Advisory Committee on a regular basis to ensure they meet the latest industry requirements.

Pollution of water: Quality of wastewater discharge

Our target was for 90% of Tier 1 and Tier 2 suppliers operating on-site effluent plants to attain the ZDHC Wastewater Foundational Level by the end of 2025, fulfilling both the MRSL and conventional parameters according to the ZDHC Wastewater Guidelines. The methodology follows the latest ZDHC Wastewater Guideline (v2.2), which underpins local requirements and sets minimum requirements for testing and managing wastewater to ensure it is safe for the environment. The requirements cover over 200 indicators,

including key water pollutants such as heavy metals and hazardous substances regulated under the MRSL and COD (Chemical Oxygen Demand).

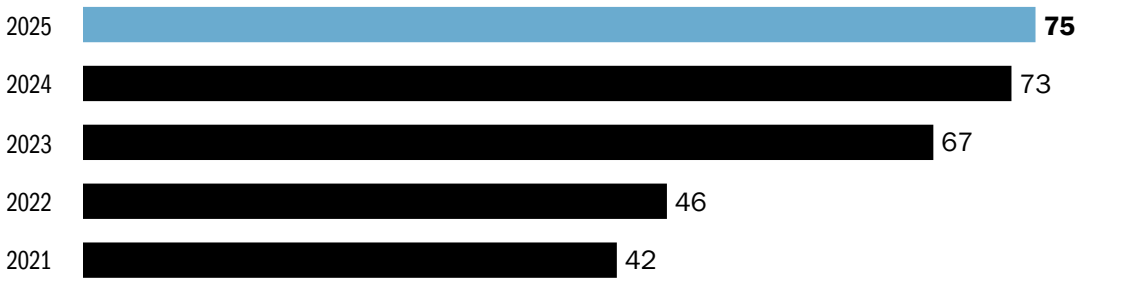
Wastewater testing is conducted twice a year by third-party accredited laboratories, which submit test reports directly to adidas. Annual targets are also set at the facility level to foster continuous improvement in wastewater quality. In 2025, through collective efforts from suppliers to make year-on-year progress, we achieved our annual target with 90% of our Tier 1 and Tier 2 suppliers meeting wastewater quality at or above the ZDHC Wastewater Foundational Level (2024: 86%).

Substances of concern: Chemical input management

In 2021, we established the measurement framework and implemented a data-collection system to collect accurate chemical inventory information from our suppliers. This laid the foundation for effective monitoring and tracking of chemical usage throughout our supply chain. It also enabled us to set up a chemical input management target for our suppliers. This target is designed to focus on eliminating the use of any restricted substances in our supply chain by increasing the use of Level 3 chemicals (chemicals that meet the highest conformance level according to the ZDHC MRSL standard).

Our 2025 target was for 80% of the chemical formulations used in our production (total number of chemical formulations) to achieve the ZDHC MRSL Level 3 standard. This KPI is based on the total number of formulations used by Tier 1 and Tier 2 suppliers with chemical usage, classified according to the ZDHC MRSL. Only formulations that meet Level 3 are counted toward the achievement. Data is collected over a twelve-month period (November to October), reported directly by suppliers via the BVE3 platform and validated by third-party auditors. To drive continuous improvement, annual targets have also been set at a facility level for the past five years. Performance is evaluated annually, and suppliers are required to track their performance and report progress monthly. The evaluation processes are conducted by third-party auditors. Through strong collaboration with our chemical formulators via the ‘adiFormulator’ program, which has been running since 2023, we have improved the quality of chemicals to meet the ZDHC MRSL Level 3 requirements. As a result, 75% of chemical formulations used in production met the ZDHC MRSL Level 3, up from 73% in 2024.

Share of chemical formulations used at suppliers meeting ZDHC MSRL level 3 in %



Our Tier 1 and Tier 2 suppliers are required to fulfill local regulatory requirements, as well as adidas specific environmental requirements, as stated in the adidas Environmental Guidelines. Pollution-related metrics and targets are adidas specific and are applied to suppliers with high environmental risk due to their production processes and significant sourcing value in the respective year. Suppliers are reviewed annually to ensure adequate coverage of our environmental measures.

Microfiber management

The TMC and ZDHC are focusing on validating test methods for microfiber shedding through TSS analysis. Due to the current limitations in distinguishing microfibers from other particles in TSS, it is premature to set specific microfiber metrics. The TMC and ZDHC are developing a reliable measurement framework, which is essential for establishing future KPI-setting based on a credible and industry-aligned methodology.



ESRS E3

Water and Marine Resources

adidas understands the importance of reducing the environmental impacts caused by its upstream manufacturing activities. Water consumption, withdrawal, and discharge in our upstream value chain lead to changes in water availability and water pollution, which may affect local communities and, in the future, lead to business disruption among our suppliers.

We work to promote responsible water management across our supply base by encouraging the continuous reduction of water consumption and supporting the implementation of effective water-saving and conservation practices.

Targets

adidas' target focuses on improving suppliers' water efficiency on a yearly basis, resulting in a reduction in the amount of water used.

ACHIEVED

Water intensity reduction

40%

(achieved 43% in 2025)

The target focused on water-intensive Tier 2 suppliers and was designed to reduce their water usage on an intensity level.

(Metric based on number of facilities)

New target for 2026+

Achieve 40% water recycling at Tier 1 and Tier 2 suppliers by 2030.

Key metrics and actions

Our actions are formulated to address water management holistically. They are designed to help us monitor water consumption, improve water discharge, and drive water efficiency and sustainable water management in our upstream value chain.

- Continuous monthly reporting and monitoring, with yearly review cycles and third-party verification
- Technical advice and innovation workshops to improve water management practices
- Industry engagement and collaboration
- Water risk assessment of Tier 1 and Tier 2 suppliers and own operations
- Foundation setting for science-based targets for nature related to freshwater (steps 1 and 2 of the SBTN framework completed)

ESRS 2 – General disclosures

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Water and marine resources and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Water consumption	Negative impact	Actual	n.a.	Upstream	Impacts on water consumption occur either in the upstream agricultural or facilities' operational processes. In agricultural processes, the impact comes mainly from the consumption of water, through plant evaporation, for raw material production (e.g., cotton cultivation). In facilities' operational processes, the impact occurs with the use of water for personal consumption, hygiene and sanitation purposes. In severe cases, these impacts could lead to a reduced water availability for local communities.
Water withdrawal	Negative impact	Actual	n.a.	Upstream	Impacts on water withdrawal occur mainly during upstream water-intensive production processes, such as dyeing and tanning (mostly present at our Tier 2 suppliers). In severe cases, the combination of location and water-intensive processes could lead to a reduced water availability for local communities.
Water withdrawal	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to water withdrawal could be related to: — Stricter regulation in the sourcing countries, potentially leading to higher operational costs for suppliers. — Business disruption and/or reduced manufacturing capacity at our suppliers, due to the reduced availability and higher cost of water.
Water discharges	Negative impact	Actual	n.a.	Upstream	Impacts on water discharges occur during upstream production processes. They are mainly present during the dyeing and tanning phases as these are chemical and water-intensive processes. In severe cases, these impacts could lead to the pollution of bodies of water compromising living conditions for local communities.
Water discharges	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to water discharge could be connected to: — Stricter regulation in sourcing countries, potentially leading to higher operating costs for suppliers and/or fines for non-compliance. — Reputational risks, if adidas is linked to claims related to damage of living conditions by local communities due to improper water discharge.

At adidas, our own operations mainly include offices, retail stores, and distribution centers. These sites do not rely on water for industrial processes, and water use is limited to domestic purposes. Wastewater is directed to public sewer systems for treatment by local authorities, and no discharge goes directly into natural water bodies. Nevertheless, we continuously monitor and manage water-related topics in our own operations through our Integrated Management System, including the implementation of water-saving technologies and best practices, wherever possible.

Impact, risk and opportunity management

E3-1 – Policies related to water and marine resources

E3-1 – Policies related to water and marine resources

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Environmental Guidelines (WC, WW, WD)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes information on water efficiency and requirements for water withdrawals and water conservation.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	WHO Guidelines for drinking water quality	adidas suppliers, affected communities, ZDHC	Accessible on corporate website
Water Management Policy (WC, WW, WD)	Outlines our water management approach in upstream manufacturing activities. It requires suppliers to implement responsible and science-based practices.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Science Based Targets Network (SBTN)	adidas suppliers, affected communities	Available on supplier SharePoint

1 Material matters addressed by policies and guidelines are abbreviated as follows:
WC – Water Consumption
WW – Water Withdrawal
WD – Water Discharge

adidas Environmental Guidelines

Our adidas Environmental Guidelines set specific and measurable targets for suppliers with water-intensive processes in their facilities (mostly Tier 2 suppliers), while Tier 1 suppliers adopt a self-governance approach and are encouraged to continuously improve their water efficiency and reduce their consumption. We communicate the objectives and related targets of the adidas Environmental Guidelines to all affected suppliers, including the specific requirements outlined in the ‘Water Conservation and Access to Water’ section. At a minimum, we expect suppliers to comply with the following:

— Any abstraction of water from surface or groundwater must comply with local regulations and be authorized by the relevant authorities.
— Illegal water intake is prohibited.
— Suppliers are expected to ensure responsible water extraction and consumption. They are strongly encouraged to implement water recycling and reuse practices to minimize overall water intake.

Water Management Policy

Our Water Management Policy, aligned with our adidas Environmental Guidelines, aims to address water withdrawal and discharges by promoting the continuous reduction of water consumption in our upstream value chain, where water use hotspots in manufacturing processes can be found. The policy applies to 80% of Tier 1 and Tier 2 suppliers, based on sourcing value.[32] This also includes suppliers that may be located in water-risk areas according to adidas’ water risk assessment. Based on scientific frameworks such as SBTN, this policy also supports various conservation measures, including water-saving and recycling practices as well as improvements to sanitary conditions in factory environments. In addition, our policy also emphasizes responsible wastewater management to mitigate water quality risks related to the activities conducted by the above-mentioned suppliers.

[32] Unless described otherwise, this scope always applies in E3-1, E3-2, and E3-3 when referring to Tier 1 and Tier 2 suppliers.

These suppliers are required to comply with our policies, which mandate responsible water use, including managing withdrawals and discharges. Suppliers are encouraged to continuously improve water efficiency and discharge quality to reduce their impact on ecosystems. Compliance and performance related to these policies and targets are verified annually through independent third-party audits.

Policies, actions, and targets related to water quality – specifically those addressing water pollution, wastewater management, and microfibers in our supply chain – are detailed in all the sections of chapter E2. For further information, please refer to:

▶ SEE ESRS E2 – POLLUTION

E3-2 – Actions and resources related to water and marine resources

Our actions regarding the material topics are related to our upstream supply chain. They adhere to our Water Management Policy and adidas Environmental Guidelines and are designed to holistically address the material water topics in our upstream supply chain. These actions are designed to help us monitor water consumption and withdrawal, improve water discharge, and drive water efficiency and sustainable water management in our upstream value chain. They collectively contribute to the implementation of the policies and the achievement of the water intensity reduction target at the supply chain level. Our actions tackle all the material impacts, risks and opportunities identified in section SBM-3 – Materials impacts, risks and opportunities and their interaction with strategy and business model.

These actions are mainly executed and monitored by our Sourcing Sustainability team, which operates within our key sourcing countries. The team provides capacity building training and technical advice to individual suppliers (Tier 1 and Tier 2) on areas for improvement, focusing on resource efficiency and responsible management practices. Stakeholder collaboration and engagement is driven by the Sustainability and ESG team in alignment with the Sourcing Sustainability team.

In the reporting year, adidas carried out the following actions related to water management:

— **Setting upstream supply chain targets**: To reduce water withdrawal from natural sources, adidas recognizes the importance of responsible water management and clear reduction targets. Building on the progress achieved over the past five years, we are committed to further advancing water reuse and recycling within our production processes. In 2025, we established a new five-year target of achieving 40% water recycling among our Tier 1 and Tier 2 suppliers. We believe that setting such targets not only supports sustainable business growth but also contributes to the long-term mitigation of water stress in the regions where our suppliers operate.

— **Continuous technical support, monitoring, and reporting**: For over a decade, adidas has conducted monthly monitoring of water consumption and water flow at key production sites. Regional teams systematically track and report water usage and discharge through sub-metering. This enables the early detection of leaks, abnormal usage, and areas for improvement. Any anomalies trigger immediate corrective action, with suppliers responsible for resolution and regional teams providing follow-up and remediation support as needed. We also offer technical guidance to suppliers, promoting best practices, such as recycling cooling water and installing reverse osmosis systems for effluent treatment. To further enhance water efficiency and support our water and pollution targets, our adidas Environmental Guidelines outline key actions for water recycling and recovery at supplier facilities. These include storm and rainwater harvesting, zero discharge design, recycling of wastewater in production and cooling towers, use of local recirculation systems, reusing and recycling cooling tower blowdown, and minimizing condenser or cooling tower blowdown to prevent dissolved solids buildup. We also engage third-party experts to conduct on-site visits and provide technical support to suppliers in implementing these measures.

— **Third-party verification**: All of the above-listed actions and reported data from our Tier 1 and Tier 2 suppliers are verified by third-party experts, who also provide advice on further water-saving practices, ensuring compliance with our standards and guidelines on an annual basis. We conduct yearly review cycles to evaluate our water management program on Tier 2 level. The review of water management areas revealed no major concerns. Advancements in water intensity savings are highlighted in the E3-3 target section.

— **Stakeholder engagement and collaboration**: In 2025, adidas deepened its engagement within the sustainability community – both with industry peers and partners across its supply chain – to advance responsible water and pollution management. We organized awareness initiatives, such as webinars and supplier summits, to share best practices and industry expertise. Ongoing collaboration with organizations such as the Leather Working Group (LWG) and the Better Cotton Initiative (BCI) helped shape environmental standards for raw materials, with a focus on water management at tanneries and farms, soil health, and the responsible use of pesticides. To put these commitments into practice, adidas prioritized sourcing preferred materials during the product design phase, including LWG-certified leather and third-party-certified cotton. This approach ensures robust water resource planning and addresses our water IROs through recognized certification schemes.

— **Internal learning and innovation for water management**: In 2025, adidas organized learning sessions with different stakeholders in our supply chain, including one Tier 4 supplier, to address cross-industry challenges related to water withdrawal and consumption in textile and agriculture sectors. These sessions focused on exploring innovative solutions, such as advanced recycling systems and digital monitoring technologies, aimed at reducing water impact across the supply chain. By engaging both external stakeholders and employees, this initiative reinforced the importance of effective water management and fostered greater awareness and action across all levels of the organization.

— **Water risk assessment across the supply chain**: In 2025, we carried out a water risk mapping, which included areas of high-water stress, for our Tier 1 and Tier 2 suppliers as well as for our owned and managed facilities. The assessment was performed with the WRI Aqueduct 4.0 tool. The aim was to understand the water risks associated with the activities of our local suppliers in their operating areas. This helped us make informed decisions to safeguard our long-term business. Regarding our suppliers, we plan to incorporate these insights into our communication channels to develop mitigation and adaptation plans that address the identified water risks.

— **Laying the foundation for science-based targets for nature**: In 2025, we successfully completed steps one and two of the Science Based Targets Network (SBTN) framework, marking a significant milestone in our commitment to taking action. Step one involved conducting a robust materiality assessment to identify our most relevant impacts and dependencies on nature to confirm that our efforts are focused where they matter most in relation to our activities and materials in our supply chain. Step two enabled us to gain a deep understanding of our footprint across key environmental domains – freshwater, land, biodiversity, and climate – laying the foundation for setting science-based targets for nature. These steps not only enhanced our strategic alignment with adidas' decarbonization and deforestation-free goals but also strengthened our data capabilities and cross-functional collaboration. Moreover, we are convinced that these steps will assist us in driving meaningful change in the next phases, especially in activities related to freshwater in our supply chain. The results related to freshwater will be used as the basis for the next phase of target-setting for our supply chain and for our own operations.

Our actions regarding water quality, including pollution related to wastewater, as well as information concerning wastewater recycling for our supply chain, are disclosed in E2-2 – Actions and resources related to pollution. Actions related to the reduction of plastic use in our products are disclosed in E5-2 – Actions and resources related to resource use and circular economy.

▶ SEE ESRS E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION ▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Metrics and targets

E3-3 – Targets related to water and marine resources

Addressing water withdrawal and water consumption in our supply chain

To reduce the water withdrawal across our supply chain, we promote more efficient water use in our production processes. To achieve this, in 2020 we set a five-year water intensity reduction target for our global supply chain: reduce the overall water intensity at adidas' water-intensive Tier 2 production facilities by 40% by 2025 (baseline: 2017; baseline value: approximately 0.0157 m^3/US $ – m^3/total product output value in US $). This target was established to consider the quantity and quality of water from intensive water usage manufacturing processes, and it is not yet connected with a specific water risk level.

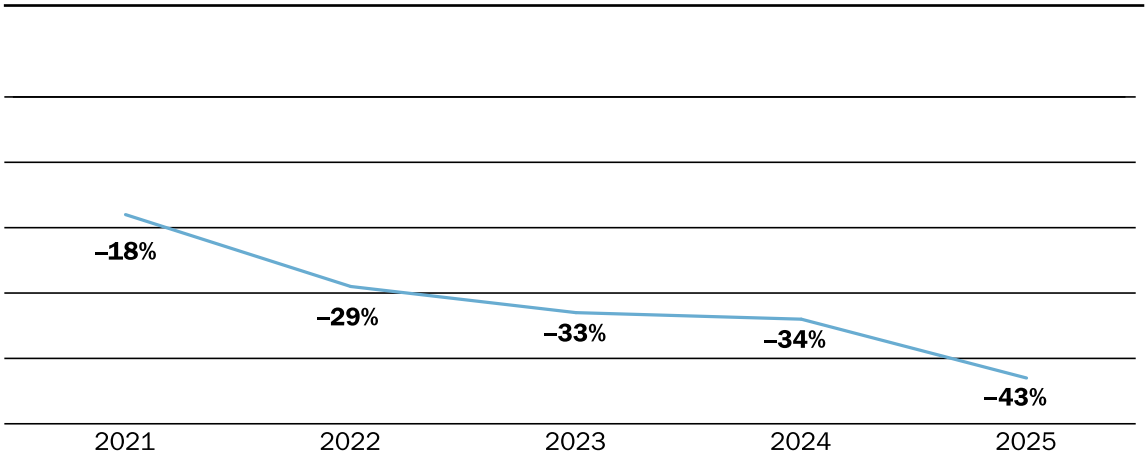
Moreover, the target and its related metric are adidas specific and not required by legislation. For this target, individual facilities were expected to reduce their water intensity by at least 5% each year, resulting in a decrease of the amount of water used – e.g., by increasing the recycling rate of water used in production and minimizing freshwater intake. The target contributes to achieving the reduction in water withdrawal and water consumption, as stated in the adidas Environmental Guidelines.

This water intensity target was based on facility-level water use in activities and processes, with a focus on WWF-identified hotspots[33] in the textile supply chain where adidas has direct influence. While this target was not initially developed with consideration of the specific local water basin conditions of our suppliers, the actions taken to achieve it have always accounted for local capabilities and natural conditions. This approach ensured that implementation was responsive to the unique challenges and opportunities at each site. Looking ahead, we plan to align future freshwater targets with the Science Based Targets Network (SBTN) requirements for nature-related goals, building on insights gained from our previous actions and resources, as described in E3-2. This will enable us to better integrate local water basin conditions into our target-setting process and further enhance our impact on water and marine resources.

In the reporting year, we exceeded our 2025 water-intensity reduction target of 40%, achieving a 43% reduction (2024: 34%). This progress reflects the commitment of our Tier 2 suppliers, who continue to improve the water management practices within their operations. Through our annual assessment process with suppliers and third-party auditors, we identified improvement opportunities and continuously bring efficiency to the overall process.

[33] Morgan, A.J., Luthra, P., Parma, M. and Petrie, L. (2022) Eau Courant: Water stewardship in apparel and textiles – Part I, Water and the Industry's value chain. WWF-Germany.

Water intensity at Tier 2 production facilities in % vs. 2017 baseline



The target performance was tracked and verified on an annual basis, based on primary consumption data reported by each facility into the adidas system and verified by third-party auditors. Water intensity is calculated as the volume of water used in a specific facility (in m^3) per product output value (in US dollars). Data covers a twelve-month period (from January to December) and a third-party auditor validates the data before we use it for the KPI calculation. The metric was developed in accordance with relevant industry standards, baseline assessments, and best practices among our suppliers and peers.

For targets related to water quality, such as quality of wastewater discharge and chemical input management targets, please see the following section:

▶ SEE ESRS E2-3 – TARGETS RELATED TO POLLUTION



ESRS E4

Biodiversity and Ecosystems

Managing the impact of our business operations on biodiversity and ecosystems along the value chain is a key focus of our sustainability strategy. The usage of nature-derived materials and conventional agricultural practices leads, in severe cases, to land-use change and a reduction of biodiversity which can affect ecosystems and local communities, but also future availability of these materials. To address these impacts, we follow holistic frameworks such as SBTN's science-based targets for nature and the Accountability Framework to guide our approach: assess, reduce, and restore. Our nature strategy is operationalized though our Biodiversity and Ecosystems Policy.

Targets

Deforestation- and conversion-free (DCF) supply chains for high-risk commodities by 2030

This target applies to the high-risk commodities sourced for adidas products: bovine leather (excluding recycled leather and leather trims), natural rubber and timber-related materials (man-made cellulosic fibers and paper-based packaging)

100%

third-party certified cotton (achieved since 2018)

This target applies to all cotton sourced for adidas products.

100%

third-party certified wool (achieved since 2024)

This target applies to all sheep wool sourced for adidas products.

Key metrics and actions

In 2025, we started rolling out our Biodiversity and Ecosystems Policy and continued to focus on the traceability of materials, material innovation, and collaboration to drive change in the industry.

- Advanced supply chain mapping for leather, natural rubber, and timber-derived materials
- Created awareness for suppliers on our sourcing practices and expectations
- Formalized guidance on sourcing man-made cellulosic fibers and cotton
- Collected country of origin information for cotton based on supplier self-declaration and continued to steer our cotton portfolio toward a verified country of origin for all cotton sourced
- Continuously scouted and piloted material solutions
- Collaborated with industry organizations such as Textile Exchange, Better Cotton Initiative, and Leather Working Group to create industry standards that help reduce the impact of raw materials on biodiversity and enhance transparency in the supply chain

ESRS 2 – General disclosures

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Managing the impact of our business operations on biodiversity and ecosystems along the value chain is a key focus of our work in the area of sustainability. For this, we follow holistic frameworks such as SBTN's science-based targets for nature and the Accountability Framework to guide our approach: assess, reduce, and restore.

While we have transparency on the locations and business activities of our Tier 1, Tier 2, and part of our Tier 3 suppliers, information about the origin of raw materials (suppliers in Tier 4 and beyond) is not available in a systematic and verified manner. As man-made deforestation is the biggest driver of terrestrial biodiversity loss globally,[34] we focus on deforestation-free supply chains as a priority for us for the years to come.

At the same time, we understand that maintaining, preserving, and restoring biodiversity is a complex challenge that requires systemic change and strong collaboration among multiple actors, including suppliers, certifiers, innovators, NGOs, and industry peers. As a signatory of the Fashion Pact and a member of several industry working groups, we are committed to setting specific targets and action plans to decrease our impact on biodiversity and advocate for the topic in different forums, including support for innovation, which adidas understands as an important enabler for systemic change.

Biodiversity is also addressed through water efficiency, water quality, and chemical management programs with Tier 1 and Tier 2 suppliers.

▶ SEE ESRS E2 – POLLUTION ▶ SEE ESRS E3 – WATER AND MARINE RESOURCES

Biodiversity assessment 2025

adidas recognizes its dependencies on reliable and cost-effective access to ecosystem services and at the same time also acknowledges its impacts on ecosystems and their provision of different ecosystem services. These indirect or direct impacts, being positive or negative, were considered in adidas' dependencies and impact analysis conducted in 2025 as part of the SBTN exercise,[35] using ENCORE, a specialized tool for biodiversity and assessments related to natural capital. The analysis concluded that the biggest dependencies and impacts are related to structure and biotic integrity, followed by water and atmosphere. This is due to our business reliance on raw materials and on regulating and maintenance services related to water, but also due to pressures on the physical structure and composition of different ecosystems, such as climate, rainfall pattern, and soil regulation services. Species as natural capital turned out to play a significant role in our upstream value chain through their ecosystem services, such as solid waste remediation, biological control, and pollination services. For these ecosystem services, understanding the relevance of possible local impacts is paramount, and, for this reason, adidas conducted a more detailed biodiversity assessment, including the factor of proximity to sensitive biodiversity areas as key criteria.

Overall, the biodiversity dependencies and impacts analysis as well as the biodiversity risk analysis and the biodiversity proximity impact assessment, all showed that biodiversity dependencies, impacts, and risks as described in ESRS 2 IRO-1 and in table SBM-3 – Biodiversity and ecosystems material impacts, risks and opportunities are more prevalent in the upstream value chain and will become more relevant for adidas from 2030 onwards (long-term timeframe). Nevertheless, due to our operating model and our agility and

[34] ▶ UN.ORG
[35] Different tools were used for the different steps of SBTN. ENCORE and LCA models were used as part of SBTN step 1: Assess.

flexibility in terms of design, material selection, and sourcing locations – all connected to our upstream value chain – we consider our business model and our strategy sufficiently resilient in the short and medium term.

▶ SEE ESRS 2 – IRO-1 – DESCRIPTION OF THE PROCESS TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Scope and main assumptions

Our biodiversity dependencies and impacts analysis has taken into account the current adidas business model and value chain, covering main manufacturing processes used by our direct suppliers, e.g., Tier 1 manufacturing of footwear and apparel, and also activities related to our indirect suppliers, such as Tier 3 leather tanneries and spinning and weaving mills, which are located in our upstream value chain. Our own operations (offices and distribution centers) were also included in the analysis. The assessment was conducted by using the ENCORE tool and LCA models, based on the type of economic activities carried out in our value chain (which were based on the International Standard Industrial Classification of All Economic Activities – ISIC – codes), especially considering adidas' use of natural and synthetic materials for its products.

To enhance our analysis, we also considered biodiversity-related aspects in the climate risk assessment – mainly related to the effects of changes in the weather patterns and the associated risk of sourcing essential natural materials such as cotton, leather, and rubber in the future and the impacts of climate change on the availability of these materials. For this risk assessment, we did not take into consideration any future potential changes to our asset base, sourcing locations, and material portfolio. Also, to be conservative, we did not assume technology-driven yield improvements in the production of raw materials.

Lastly, understanding that biodiversity risks are usually experienced locally, we also conducted a biodiversity assessment considering the proximity of the locations of selected Tier 1 and Tier 2 suppliers (preliminary assessments) and our own operations in 2025 to biodiversity-sensitive areas by using the Integrated Biodiversity Assessment Tool (IBAT) from BirdLife International. The input variables were the location of the site (latitude/longitude), activities at the site (e.g., administrative office, distribution center), and a proximity buffer according to the economic activities conducted at each location. Moreover, two types of aggregated biodiversity-sensitive areas were used: Protected Areas (PAs) and Key Biodiversity Areas (KBAs), as defined by the IUCN (International Union for Conservation of Nature and Natural Resources) and BirdLife International, respectively.[36]

Our biodiversity dependencies and impacts analysis as well as our climate and biodiversity risk analysis applied the same time horizons as defined in our enterprise risk management system: short-term (one year), medium-term (two to five years), long-term (over six years). The biodiversity proximity impact assessment considered a short-term time horizon (one year).

Stakeholders involved

Internal stakeholders from different departments (e.g., Enterprise Risk Management, Workplaces, Sustainability and ESG, Investor Relations, Product Development & Sourcing) were formally involved when assessing the resilience of our business model with respect to climate and biodiversity risks. Moreover, our internal experts are in regular contact with external stakeholders in more informal settings (such as conferences, meetings, and working groups), and their views are therefore indirectly considered in our internal assessments. These external stakeholders include organizations such as the World Wide Fund for Nature (WWF), Canopy Planet, Textile Exchange, Organic Cotton Accelerator (OCA), and the Leather Working

[36] PAs can be national parks and equivalent reserves, recognizing they are valuable for economic and scientific reasons and as areas for the future preservation of fauna and flora and geologic structures in their natural state. KBAs are sites that contribute significantly to the global persistence of biodiversity (in terrestrial, freshwater, and marine ecosystems) and that meet one or more of eleven criteria, clustered into five categories: threatened biodiversity; geographically restricted biodiversity; ecological integrity; biological processes; and irreplaceability.

Group (LWG), as well as other companies in the same value chain, peers, and local farmers (from Brazil, Australia, Vietnam, the US, Pakistan, and Turkey).

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Biodiversity and ecosystems and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Climate change	Negative impact	Actual	n.a.	Upstream	Climate change effects negatively impact biodiversity and ecosystem services. Our total GHG emissions (disclosed under ESRS E1 Climate change) contribute to this effect.
Land-use change; freshwater-use and sea-use change	Negative impact	Actual	n.a.	Upstream	adidas' increased use of nature-derived materials or the use of non-certified materials leads, in severe cases, to land-use changes (e.g., through deforestation and/or poorly managed agriculture practices).
Land-use change; freshwater-use and sea-use change	Risk	n.a.	Long-term	Upstream	For adidas, the risk related to land-use change could be related to: — Increased operational costs, potential fines for non-compliance, and inability to sell in specific markets, due to the need of an end-to-end traceability system to comply with upcoming regulations. — Reputational risks if adidas is associated with deforestation claims.
Impacts on the extent and condition of ecosystems	Negative impact	Actual	n.a.	Upstream	Conventional agriculture practices cause land-use change and degradation, if not carried out in an environmentally responsible manner. This, in turn, negatively impacts certain ecosystems by reducing their species in size and diversity and exhausting soil and water resources.
Impacts and dependencies on ecosystem services	Negative Impact	Actual	n.a.	Upstream	Land-use change and conventional agriculture practices, if not carried out in an environmentally responsible manner, negatively impacts ecosystem services and also local communities. With regard to adidas' dependency on ecosystem services, it goes beyond resource use and also includes water supply for our supply chain processes and availability of renewable energy for our suppliers.
Impacts and dependencies on ecosystem services	Risk	n.a.	Long-term	Upstream	For adidas, risks related to the impact and dependencies on ecosystem services could be related to: — Increased costs and/or unavailability of raw materials (especially nature-derived materials). — Increased costs or unavailability of water for production processes (e.g., dyeing and tanning).

In 2025, our biodiversity proximity impact assessment did not identify material biodiversity impacts and risks related to our own operations (covering owned and leased offices and distribution centers under our operational control). The proximity assessment identified nine sites (covering an area of 56.6 ha) that are in or near biodiversity-sensitive areas. The same result was obtained in 2024. Due to their location, national context, nature of business activity, and environmental management practices already in place as part of the Integrated Management System, the potential impact of the activities at the sites do not materially affect the area as they will not result in the deterioration of natural habitats and habitats of species, nor will they disturb species for which a protected area has been designated. Moreover, adidas has no direct operations that affect threatened species, including flora and fauna listed in the European Red List of Threatened Species or the IUCN (International Union for Conservation of Nature and Natural Resources) Red List of Threatened Species.[37] In our 2025 assessment, we did not identify any negative impacts on soil biodiversity from our own operations, aside from those already associated with the initial construction of office buildings and distribution centers. Furthermore, there were no changes in the locations of our operational sites compared to the previous year, indicating that our activities have not introduced new risks to soil health or local ecosystems. We remain committed to ongoing monitoring to ensure that our operations continue to avoid contributing to soil degradation or loss of biodiversity. Due to the complexity of the activities conducted by our suppliers, the Tier 1 and Tier 2 suppliers' biodiversity proximity impact assessments will be further analyzed and combined with the water risk assessment at a later stage.

[37] ▶ IUCNREDLIST.ORG

Impact, risk and opportunity management

E4-2 – Policies related to biodiversity and ecosystems

E4-2 – Policies related to biodiversity and ecosystems

Policies[1, 2]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Biodiversity and Ecosystems Policy (CC, LFSC, IECE, IDES) (S, P, C)	Describes our approach to biodiversity and the way to achieve deforestation- and conversion-free supply chains by 2030 or earlier, including human rights and inputs for biodiversity assessments. It addresses our IROs and indicates adidas' targets for biodiversity	Upstream and own operations	SVP Sustainability and ESG	Kunming-Montreal Global Biodiversity Framework, Accountability Framework Initiative (AFI), SBTi and SBTN, UN Declaration on the Rights of Indigenous Peoples, ILO Convention No. 169 (Indigenous and Tribal Peoples Convention) UN Guiding Principles on Business and Human Rights	External stakeholders (NGOs), legislation, and internal stakeholders	Accessible on corporate website
Policy for the Control and Monitoring of Hazardous Substances (A01) (IECE, IDES) (S, P)	Prohibits the use of chemicals considered harmful or toxic and includes the restrictions of using animal-derived materials, such as the exclusion of sourcing or processing any raw materials from endangered or threatened species	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	External stakeholders (NGOs), legislation, and consumer expectations	Accessible on corporate website
Standards on animal-derived materials (IECE, IDES) (S, P, C)	Sets the requirements for sourcing of animal-derived materials and rules out sourcing of endangered or threatened species	Upstream	SVP Sustainability and ESG	World Organization for Animal Health, IUCN, Leather Working Group, Materials Matter Standards (Textile Exchange)	n.a.	Accessible on corporate website
Responsibly Sourced Synthetics SOP (CC, LFSC, IECE, IDES) (S, C)	Describes procurement expectations as well as practices for assessing bio-based synthetics in terms of environmental and social impacts, restricting certain commodities associated with high-risk of deforestation in their supply chain	Upstream	SVP Product Development & Sourcing	Textile Exchange standards: Reference the seven high-risk commodities defined by WRI Global Forest Review and WWF Deforestation Fronts	n.a.	Directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
CC – Climate Change
LFSC – Land-use change; freshwater-use and sea-use change
IECE – Impact on the extent and condition of ecosystems
IDES – Impacts and dependencies on ecosystem services

2 Topics addressed by policies and guidelines are abbreviated as follows:
S – Sourcing from ecosystems that are managed to maintain conditions for biodiversity
P – Production in ecosystems that are managed to maintain conditions for biodiversity
C – Consumption from ecosystems that are managed to maintain conditions for biodiversity

Nature Strategy and Biodiversity and Ecosystems Policy

adidas' Nature Strategy outlines our commitment to achieving deforestation- and conversion-free (DCF) supply chains by 2030 or earlier, integrating human rights considerations and aligning with our decarbonization goals. The strategy focuses on our upstream supply chain, particularly sourcing materials with deforestation risks – such as leather, natural rubber, and timber – while also targeting compliance and the reduction of indirect carbon emissions from land use.

In 2025, we launched the adidas Biodiversity and Ecosystems Policy[38] to embed this strategy across our operations and supply chain. The policy formalizes our DCF targets and actions to address our most significant impacts, risks, and opportunities (IROs) related to climate change, land-use change, ecosystem health, and ecosystem services. It serves as an umbrella for functional policies and standard operating procedures (SOPs) that guide biodiversity-related measures throughout the organization, applying to all adidas sites, including those in or near biodiversity-sensitive areas. Following its launch, we initiated the biodiversity policy implementation phase, engaging all relevant functions to co-create action plans aligned with policy objectives. By publicly stating our commitments, we reinforce our dedication to collaboration and innovation in the areas of our supply chain where pressures on nature are greatest. We believe that this policy, in conjunction with our broader strategy, will help us address key biodiversity dependencies and pressures in our supply chain.

Policy for the Control and Monitoring of Hazardous Substances

Our A-01 Policy for the Control and Monitoring of Hazardous Substances prohibits the use of harmful or toxic chemicals in production and restricts the use of animal-derived materials from endangered or threatened species, as defined by the IUCN Red List. This policy further supports our efforts to protect ecosystems and species.

Standards on animal-derived materials[39]

adidas is committed to sourcing animal-derived materials in a humane, ethical, and sustainable manner, prioritizing animal welfare and species conservation. Our standards on animal-derived materials prohibit the use or processing of certain materials and set minimum requirements for material sourcing. By prioritizing certified materials, we promote sustainable land and agricultural practices, protect pasture landscapes, and mitigate negative impacts from land-use change. These standards are operationalized through SOPs detailing certification, traceability, and responsible sourcing requirements.

Responsibly Sourced Synthetics SOP

To reduce dependence on fossil fuel-based resources, adidas is moving away from virgin fossil-based materials in favor of recycled or renewable alternatives, such as bio-based feedstocks. This transition helps conserve finite resources, lower our carbon footprint, and reduce pressure on nature. More details on sustainably sourced renewable materials[40] are provided in ESRS E5 – Resource use and circular economy. In plastics and synthetic production, bio-based feedstocks can substitute certain chemical building blocks traditionally sourced from fossil fuels. Before integrating bio-based feedstocks into our material portfolio, we conduct a comprehensive impact assessment using multi-factor analysis. Feedstocks linked to deforestation are either excluded or require certification to ensure responsible forestry and land management. Additionally, all feedstocks are evaluated based on sourcing origin, environmental impact drivers, and potential social and human rights risks. These requirements are embedded in our Biodiversity and Ecosystems Policy and operationalized through the Responsibly Sourced Synthetics SOP.

▶ SEE ESRS E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

[38] ▶ ADIDAS-GROUP.COM/SUSTAINABILITY
[39] ▶ ADIDAS-GROUP.COM/SUSTAINABILITY
[40] Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

Additional considerations

— Traceability and ecosystem impacts: Traceability is central to understanding and addressing our biodiversity IROs. By increasing traceability of materials, adidas can better assess and mitigate local impacts on ecosystems and ecosystem services and engage collectively in solutions that decrease pressure on nature. Traceability expectations are outlined in our Biodiversity and Ecosystems Policy and related SOPs.

— Human rights considerations: adidas upholds internationally recognized human rights throughout its operations and value chain. Our Biodiversity and Ecosystems Policy explicitly incorporates human rights and livelihoods, with cross-references to our Human Rights Policy, recognizing the interlink between environmental and social risks and ensuring that our approach to biodiversity also addresses human rights considerations across the value chain.

▶ SEE ESRS S2 – WORKERS IN THE VALUE CHAIN ▶ SEE ESRS S3 – AFFECTED COMMUNITIES

— Other policies: Our approach to biodiversity is supported by policies on climate change, pollution, water and marine resources and resource use and circular economy. For example, our climate strategy promotes alternative materials and processes that address land-use change, while our adidas Environmental Guidelines minimize pollution and safeguard habitats. These integrated policies support a holistic approach to reducing pressures on biodiversity and align with international frameworks such as the Kunming-Montreal Global Biodiversity Framework and Science Based Targets Network (SBTN). The policies can be found in the respective topical standards.

▶ SEE ESRS E1-2 – POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION
▶ SEE ESRS E2-1 – POLICIES RELATED TO POLLUTION
▶ SEE ESRS E3-1 – POLICIES RELATED TO WATER AND MARINE RESOURCES
▶ SEE ESRS E5-1 – POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

E4-3 – Actions and resources related to biodiversity and ecosystems

Due to the complex supply chain structures in our industry, a key focus of our actions is to understand the origin and the respective biodiversity impact of the raw materials we use. Therefore, in 2025, we continued to focus on enhancing transparency and traceability of materials by mapping upstream value chains of key materials and by actively contributing to the development of industry-wide solutions for material traceability through our participation in several working groups. The highest priority was given to materials associated with a man-made deforestation risk (which for us are leather, natural rubber, and timber-derived materials), followed by cotton as the largest nature-derived material used in our portfolio. We also established the Biodiversity and Ecosystems Policy, along with standard operating procedures (SOPs), to facilitate the implementation of our Nature Strategy.

adidas recognizes the importance of Indigenous Peoples' and local communities' (IPLC) rights and knowledge in effective biodiversity management. While we did not engage directly with IPLCs in 2025, their perspectives are incorporated indirectly through our adherence to internationally recognized standards and certifications – such as the FSC, Better Cotton Initiative (BCI), and Organic Cotton Accelerator –, which include criteria for respecting indigenous rights, land tenure, and the integration of local knowledge into sustainable land management and sourcing practices. In 2025, adidas did not focus on direct nature-based solutions. Biodiversity offsets are not currently part of our short- or mid-term action plans, as our strategy prioritizes prevention, responsible sourcing, and avoiding negative impacts.

Overall, the actions stated below contribute to achieving our targets and tackling all of our material IROs in the field of biodiversity and ecosystem by individually addressing one or more of the identified material IROs. For the coordination and monitoring of actions, we rely on internal resources (mainly from the Sustainability and ESG Team). Unless explicitly stated otherwise, all actions are ongoing.

In the reporting year, adidas carried out the following actions related to biodiversity:

— **Biodiversity and Ecosystems Policy** development and implementation: In June 2025, adidas launched its Biodiversity and Ecosystems Policy, formalizing our commitments and expectations to address the company's impacts on nature, supporting our target to eliminate deforestation and ecosystem conversion from our supply chain. The policy includes the feedback from the stakeholder dialogue held in 2024 with selected external stakeholders. Examples of the feedback received and included was: integration of specific wording on reduction of virgin resources and reference to restoration plans linked to adidas business operations. The Biodiversity and Ecosystems Policy implementation phase began in the second half of 2025, involving all relevant functions across the business. As part of this, Standard Operating Procedures (SOPs) for nature-derived materials were created, and functions started to embed the policy in their business, co-creating strategies to achieve adidas biodiversity targets.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES ▶ ADIDAS-GROUP.COM/SUSTAINABILITY/PLANET

— **Leather:** In 2025, our actions on leather were guided by three main objectives under the Biodiversity and Ecosystems Policy: increasing supply chain transparency, strengthening industry collaboration, and raising supplier awareness. To enhance transparency, we conducted a new comprehensive supply chain mapping for all leather suppliers we worked with in 2025, aiming to trace raw material origins up to the slaughterhouse and, where possible, to the farm level. In this mapping exercise, with support of our suppliers, we were able to increase our understanding of our upstream supply chain. This mapping supports our goal of achieving deforestation- and conversion-free (DCF) bovine leather supply chains by 2030 or earlier. We also engaged with indirect suppliers and cross-industry partners to explore certification and due diligence solutions for deforestation-free sourcing. adidas actively contributed to industry working groups, including Textile Exchange's Deforestation-free Call to Action for Leather initiative and the Leather Working Group's Chain of Custody task team, to advance the development of standards for traceability and deforestation-free protocols. Additionally, we participated in a pilot for the Global Traceability Framework for Beef and Leather to help develop robust data standards. To build awareness, we communicated our DCF targets to suppliers through a formal communication, dedicated meetings and workshops. As part of the policy implementation, we finalized our Responsible Leather SOP, translating DCF commitments into actionable sourcing requirements for our suppliers. Following the decision taken in 2024, adidas stopped purchasing kangaroo leather and ended manufacturing products with this material in 2025.

— **Endangered or threatened species:** In 2025, adidas continued its commitment not to source or process any raw materials from endangered or threatened species. This was emphasized through our policies and creation guidelines for our products as well as through active engagement with our development teams on this topic. This supports biodiversity by protecting vulnerable species, based on the IUCN Red List, and helps prevent negative impacts in the upstream part of our value chain. This action applies to all materials sourced by adidas and aligns with our Biodiversity and Ecosystems Policy, our Policy for the Control and Monitoring of Hazardous Substances (A-01) and the Global Biodiversity Framework (GBF), addressing ecosystem dependencies and risks.

— **Natural rubber:** In 2025, we conducted a more comprehensive supply chain mapping for our natural rubber suppliers we worked with in 2025, aiming to enhance transparency to understand possible impacts and risks related to deforestation that may be present in this supply chain. This more comprehensive exercise was led by the Traceability team, and, in contrast to the previous exercise, responses were obtained from Tier 4+ in this supply chain in 2025. This mapping directly supports the implementation of our Biodiversity and Ecosystems Policy and Nature Strategy. Another implementation step conducted in 2025 was the translation of adidas' expectations into actionable steps to our suppliers by developing the Natural Rubber SOP. Communications about our deforestation- and conversion-free (DCF) targets to suppliers were conducted through trainings and specific meetings.

Additionally, adidas actively participated in the Natural Rubber Round Table hosted by FSC (Forest Stewardship Council), fostering dialogue among stakeholders including tappers and their representatives to address challenges and promote a more equitable, DCF supply chain.

— **Timber-derived materials** – specifically man-made cellulosic fibers (MMCFs) and paper packaging: To steer our journey toward deforestation-free MMCFs and paper packaging (covering our total volume globally), adidas joined CanopyStyle and Pack4Good in 2023, two initiatives from Canopy Planet setting the framework for good sourcing practices to protect ancient and endangered forests. These requirements were included in our Biodiversity and Ecosystems Policy. In collaboration with Canopy Planet, adidas has embarked on a supply chain mapping exercise for MMCFs as part of our deforestation-free supply chain targets, linked to our biodiversity strategy. We identified the Tier 4 suppliers (fiber producers) our suppliers source from, and we will continue to monitor risks and progress toward our DCF 2030 targets. Through the MMCF SOP launched in 2025, we specified the criteria for sourcing MMCF that includes only suppliers classified as 'Dark Green' in the Canopy Hot Button Report[41] and using certified raw materials. This will assist in achieving our targets related to biodiversity but also encourage the use of more environmentally friendly chemicals in manufacturing processes – aligned with ZDHC parameters and our expectations shared in ESRS E2 – Pollution. For paper packaging, many internal teams were once again consulted to better understand the volumes sourced, certifications used, and country of origin of the material. In 2025, a cross-functional taskforce was created to address challenges related to our deforestation and conversion commitments and future regulatory requirements. A strategy to assess baseline and develop targeted action plans was shared. While our distribution centers continue to optimize packaging sizes to minimize the consumption of packaging material and improve transportation efficiency, adidas already included criteria related to the Biodiversity and Ecosystems Policy into the new Request for Quotation (RFQ) for sourcing of packaging.

— **Cotton:** Since 2018, adidas has solely sourced third-party certified cotton (organic, recycled, and other cotton standards). Most of the cotton in our portfolio is sourced through BCI, a program which uses a mass balance approach and therefore is not traceable to the country of origin. Our measures in 2025 revolved around gaining more transparency on the country of origin through the supply chain mapping exercise targeting the relevant upstream supply chain globally and diversifying our cotton portfolio in order to ultimately have a verified country of origin for all cotton we source. Additionally, after signing up for Traceable Better Cotton, aiming to start sourcing product-segregated cotton from BCI with traceability up to the country of origin, we communicated our plans to our suppliers to solidify our commitment. We also partner with the US Cotton Trust Protocol, which provides a chain of custody to the country of origin for cotton. Finally, we developed our Responsibly Sourced Cotton SOP, which formalizes adidas' guidance on cotton sourcing and traceability. These actions are in line with our target to source 100% certified cotton and the objectives of the newly developed Responsibly Sourced Cotton SOP.

— **Innovation:** We continuously explore innovative solutions that can replace current natural materials and may reduce pressures on land and ecosystems, in alignment with the direction provided by our Biodiversity and Ecosystems Policy. Scouting and piloting is done by our own innovation team as well as through Fashion for Good (FFG), a multi-stakeholder platform for sustainable innovation in the fashion industry. Our focus in 2025 was the exploration of new man-made cellulosic fibers that can replace conventional viscose.

▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

[41] ▶ CANOPYPLANET.ORG

— **Collaboration and advocacy for nature:** During 2025, we continued to contribute to several working groups from Textile Exchange, BCI, and Leather Working Group, with the goal of generating knowledge and ultimately creating industry standards to reduce impacts of raw materials and processes on biodiversity, for example through improved agricultural practices. As a member of Textile Exchange's Regenerative Agriculture Outcome Framework working group, we contributed to the creation of a cross-industry basket of indicators for regenerative agriculture and their piloting, which was updated in 2025.[42] We are also an active member of the Fashion Pact Unlock Project, which tests the carbon accounting and other environmental benefits of cotton, and Textile Exchange's Leather, Cotton, Biosynthetics, and Manmade Cellulosic Round Tables. These groups focus on advancing important topics in the sector, such as improving traceability and developing environmental impact analyses and guidance for the industry. In 2025, adidas joined leading voices at Climate Week NYC, participating in the Science Based Targets Network (SBTN) event focused on corporate sustainability. Business leaders came together to discuss why investing in nature is critical for achieving science-based targets and ensuring long-term business resilience. Through the participation of adidas' SVP Sustainability and ESG in the panel discussion, adidas publicly reinforced its commitment to stepping up for nature, highlighting how protecting ecosystems is integral to its sustainability vision and future-proofing of the business. This activity followed the expectations shared in our Biodiversity and Ecosystems Policy and its implementation, where adidas aims to support industry transformation through collaboration.

— **Laying the Foundation for Science-Based Nature Targets:** In 2025, adidas completed Steps 1 and 2 of the Science-Based Targets for Nature process, which were submitted for external validation according to the official framework processes. Step 1 involved conducting a materiality assessment to identify key areas where our own operations and value chain interact with nature. In Step 2, we performed a scoping exercise to prioritize locations and environmental pressures for target-setting, focusing on freshwater and land systems.

▶ SEE ESRS E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

Further measures to reduce negative impacts on biodiversity and ecosystems related to climate change, pollution, water or resource use are described in detail in the relevant chapters, respectively:

▶ SEE ESRS E1-3 – ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES
▶ SEE ESRS E2-2 – ACTIONS AND RESOURCES RELATED TO POLLUTION
▶ SEE ESRS E3-2 – ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES
▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Metrics and targets

E4-4 – Targets related to biodiversity and ecosystems

The targets described below support the implementation of our Nature Strategy, are embedded in our policies, and reflect adidas' commitment to address all material impacts, risks and opportunities (IROs).

Deforestation- and conversion-free (DCF) supply chains for high-risk commodities by 2030

adidas aims to have deforestation- and conversion-free (DCF) supply chains for all high-risk commodities used in our products – specifically bovine leather, natural rubber, and timber – by 2030. This global target, which excludes recycled leather and leather trims, is formalized in our Biodiversity and Ecosystems Policy and related documentation. The target and its associated metrics are based on leading external frameworks, including the Accountability Framework, and are informed by the EU Deforestation Regulation (EUDR), the EU Biodiversity Strategy for 2030, as well as research from the World Resources Institute's Global Forest Review and WWF's Deforestation Fronts.

[42] ▶ TEXTILEEXCHANGE.ORG

By focusing on eliminating deforestation and conversion from our supply chain, we support the objectives of the Paris Agreement and align with the Kunming-Montreal Global Biodiversity Framework (GBF), contributing to the protection of species and their habitats. We continuously monitor our performance by tracking sourcing volumes, country of origin, and enhancing due diligence for suppliers in high-risk areas. Currently, we obtain information about leather volumes by country of origin from our leather suppliers through self-declaration. This information is then passed through a country deforestation-risk assessment carried out by the Sustainability and ESG team. This DCF target addresses material impacts on biodiversity and ecosystems, including those related to climate change, land-use change, and ecosystem services. Additionally, it mitigates risks associated with rising raw material costs, regulatory non-compliance, and potential increases in operational costs.

100% third-party certified wool

This target supports biodiversity by promoting responsible land management practices in our upstream supply chain, primarily through adherence to recognized certification standards. It is aligned with the Kunming-Montreal GBF expectations and is reflected in Standards for animal-derived materials. By implementing this target, adidas aims to mitigate negative impacts from land-use change, address dependencies on ecosystem services, and manage risks related to the availability and cost of raw materials. As a global commitment, the target applies to all wool sourced by adidas, excluding recycled wool. Progress is assessed annually by calculating the percentage of third-party certified wool sourced, based on primary data, without reference to a base year. In 2025, adidas sourced 100% (2024: 100%) certified wool, fully achieving the target and maintaining consistent performance compared to the previous year.

100% third-party certified cotton

Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton, such as cotton from the Better Cotton Initiative (BCI) and the US Cotton Trust Protocol. This global target covers the entire volume of cotton used in our products and is tracked annually through robust supply chain management processes. This target follows the expectations of the Kunming-Montreal GBF. Our commitment to sustainable cotton sourcing directly supports our Nature Strategy, Biodiversity and Ecosystems Policy, as well as our decarbonization goals. It also aligns with our broader ambition to reduce environmental impacts related to resource inflows, by promoting responsible agricultural practices, reducing pesticide and water use, and supporting farmer livelihoods.

▶ SEE ESRS E1 – CLIMATE CHANGE ▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

This target is embedded in our Standard Operating Procedures (SOPs) and forms a key component of our materials roadmap, which guides our transition to sustainably sourced renewable materials. By prioritizing the use of virgin or recycled cotton that is certified and traceable, we aim to minimize land-use change, protect ecosystem services, and contribute to circular economy principles. Progress toward this target is monitored annually, and performance data for 2025 can be found in ESRS E5 – Resource Use and Circular Economy. This approach not only advances our sustainability objectives but also helps mitigate risks related to raw material availability, regulatory compliance, and reputational impact.

▶ SEE ESRS E5-4 – RESOURCE INFLOWS

Basis for target setting: scientific evidence, frameworks, and stakeholder involvement

Our current targets were established based on best industry practices and recognized external frameworks, which are underpinned by conclusive scientific evidence regarding the impacts of material sourcing on biodiversity and ecosystems. In setting these targets, we have reviewed relevant scientific literature and guidance, such as those referenced in the Accountability Framework and the EU Biodiversity Strategy for 2030, to ensure alignment with the latest research and regulatory expectations. No ecological thresholds or allocation of impacts were applied, and no offsets were considered in the target-setting process. All three targets are global in scope, focusing on adidas' upstream value chain and its most significant nature-derived materials, as previously outlined. Each target is allocated to the avoidance layer of the mitigation hierarchy, prioritizing the prevention of negative impacts at the source.

Stakeholder engagement was an integral part of our target-setting process. We consulted with key internal and external stakeholders, including suppliers, industry experts, and NGOs, to ensure that our targets are both ambitious and practical, and that they reflect the expectations of our broader stakeholder community. In addition to these core targets, further objectives related to biodiversity and ecosystems have been developed as part of our climate strategy, water management, and resource use approaches. These additional targets contribute to reducing negative impacts on biodiversity and ecosystems and are described in detail in the target sections of the following chapters:

▶ SEE ESRS E1-4 – TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION ▶ SEE ESRS E3-3 – TARGETS RELATED TO WATER AND MARINE RESOURCES ▶ SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY



ESRS E5

Resource Use and Circular Economy

The apparel and footwear industry uses significant amounts of resources. The consumption of finite resources, and the intensive manufacturing processes negatively affect the environment. Equally, resource outflow has negative impacts, including waste generation during production, and the disposal of products at end-of-life. The lack of industry-wide circular solutions for end-of-life leads to waste generation and highlights the need for systemic change. To mitigate such impacts and risks, adidas applies criteria for responsible sourcing, follows product creation guidelines which mandate the use of recycled and sustainably sourced renewable materials[1], and provides waste guidelines for upstream activities and own operations. Our circularity strategy provides a long-term vision and defines priorities for our actions and engagement.

Targets

To address the multifaceted challenges of resource use and the circular economy, we have defined specific targets to effectively steer these interconnected topics.

100%

third-party certified recycled polyester[2]

(achieved 99% since 2023)

This target applies to all polyester sourced for adidas products.

100%

third-party certified cotton

(achieved since 2018)

This target applies to all cotton sourced for adidas products.

Waste diversion

2025 result **95%**

2025 target **98%**

The target focused on having the waste from Tier 1 and Tier 2 suppliers diverted from landfills.

10%

of polyester to come from recycled textile waste by 2030

The first products with textile-to-textile recycled polyester are planned for 2026.

1 Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.
2 Where technically possible.



Key actions and metrics

Our key actions

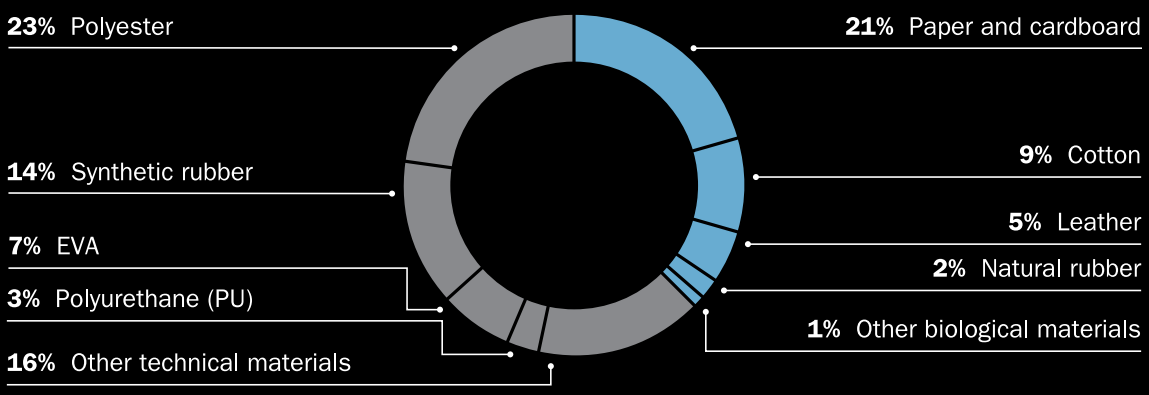
In 2025, adidas advanced its circularity agenda through three key actions that delivered strategic and industry-wide impact:

— Published internal Circularity Position Paper to guide circular practices in our value chain

— Upskilled suppliers on textile waste segregation through a multi-stakeholder program

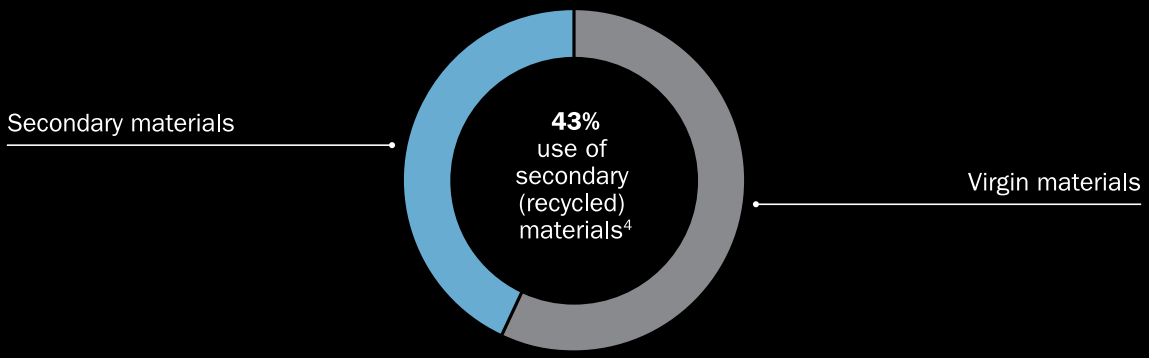
— Led multi stakeholder initiatives (e.g., T-REX) to steer systemic change in the industry

Materials used in adidas' products and packaging in 2025[3]



Technical materials
40% sustainably sourced

Biological materials
95% sustainably sourced



3 Our product portfolio includes apparel, footwear, as well as accessories. For further details, refer to the following section in E5-4: Explanatory notes to our reported material use data.
4 This number is partly derived from primary data and partly based on LCA data.

ESRS 2 – General disclosures

IRO-1 – Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 – Resource use and circular economy and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Resource inflows	Negative impact	Actual	n.a.	Upstream	The apparel and footwear industry is heavily dependent on the use of resources, both renewable and non-renewable, which leads to adverse environmental impacts.
Resource inflows	Risk	n.a.	Mid-term	Upstream	For adidas, the risk with regard to resource inflows could be related to: — Potentially higher costs and/or unavailability of materials. — Upcoming regulations like ESPR (Ecodesign for Sustainable Products Regulation), which may require the use of materials (i.e., high-recycled content) that could become scarce.
Resource outflows	Negative impact	Actual	n.a.	Downstream	Currently, the lack of a circular economy ecosystem and infrastructure in the apparel and footwear industry means that most products have no circular end-of-life solution and end up as waste.
Resource outflows	Risk	n.a.	Long-term	Upstream, downstream	For adidas, the risks with regard to resource outflows could be related to: — High uncertainty in the regulatory developments in different countries. — Potentially inconsistent approaches to circular product definition and related infrastructure (e.g., sorting and recycling infrastructure), which could lead to operational challenges for a globally operating company such as adidas (e.g., when defining circular product design guidelines). — Cost of establishing a circular infrastructure for apparel and footwear is to be partly paid for by brands (e.g., upcoming Extended Producer Responsibility (EPR) legislation in several countries).
Waste	Risk	n.a.	Mid-term	Upstream	For adidas, waste related risks could be related to: — Potentially higher operational costs for our suppliers, as stricter waste management requirements are imposed on them (e.g., the need for improved processes for waste separation, handling, transportation, disposal, and/or treatment).

Impact, risk and opportunity management

E5-1 – Policies related to resource use and circular economy

adidas governs resource use and circular economy through policies, guidelines, and standard operating procedures (SOPs) across the entire value chain. These policies anchor our strategy in the business and ensure we steer the organization toward a lower impact on the environment. Our key resource inflows are regulated by material-specific SOPs and by product creation guidelines. Our key priority is to reduce our dependency on virgin fossil-based materials by increasing the share of recycled and sustainably sourced renewable materials.[43] Resource outflows and waste are also covered by several policies and guidelines implemented by our manufacturing partners (as most impacts occur upstream). However, guidance on circular product design and product end of life is still under development. This is due to a lack of technologies and infrastructure that can effectively sort, pre-process, and recycle different types of products at scale. Therefore, we are currently focusing our work in the field of circularity on understanding the full ecosystem needed to enable a transition from a linear to a circular value chain.

▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

[43] Textile Exchange refers to these as fibers produced from renewable resources, such as plants or agricultural waste, using practices that minimize environmental impact throughout the lifecycle.

E5-1 – Policies related to resource use and circular economy

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Circularity Position Paper (RI, RO, W)	Provides a long-term vision and framework and sets priorities for engagement.	Entire value chain	SVP Sustainability and ESG	UNEP and Ellen MacArthur Foundation	n.a.	Available for all employees
Sustainable Ingredient Definition SOP (RI)	Sets the framework for sustainable ingredients for adidas products, detailing the lifecycle and roles and responsibilities.	Entire value chain	SVP Product Development & Sourcing	Preferred Fiber and Materials Matrix from Textile Exchange	n.a.	Available for all employees
Responsibly Sourced Materials SOPs (RI)	Includes multiple SOPs for Synthetics, Natural Rubber, Cotton, Man-made Cellulosic Fibers, and Animal Derived Materials. States the intention to use recycled and responsibly sourced materials where technically possible, sets certification requirements and governance framework	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Textile Exchange standards: Global Recycling Standard, Recycled Content Standard, Forest Stewardship Council, Better Cotton. Global Organic Textile Standard, Organic Content Standards, and US Cotton Trust Protocol	n.a.	Available for all employees
Standards on animal-derived materials (RI)	Sets the requirements for sourcing of animal-derived materials and rules out sourcing of endangered or threatened species	Upstream	SVP Sustainability and ESG	World Organization for Animal Health, IUCN, Leather Working Group, Materials Matter Standard (Textile Exchange)	n.a.	Accessible on corporate website
Environmental Guidelines (W)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes waste management	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	n.a.	adidas suppliers	Accessible on corporate website
Waste Management Guidelines (W)	Defines a waste management process to prevent pollution and depletion of natural resources; outlines connected goals and objectives; guide suppliers to select waste co-processing partners and waste-to-energy technologies to be compliant	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	Reference the EU Waste Framework Directive	n.a.	Directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
RI – Resource Inflows
RO – Resource Outflows
W – Waste

Going forward, we will continue to adapt, widen, and substantiate our approach to circularity and resource use. Our approach is based on science but it will also be influenced by emerging industry standards and regulatory requirements that are becoming more concrete, particularly within the EU and in relation to its EU Strategy for Sustainable and Circular Textiles. We expect these regulatory requirements to become clearer in the coming years, which will help eliminate some of the ambiguity within our industry and set a common baseline for every brand and market participant to adhere to.

E5-2 – Actions and resources related to resource use and circular economy

Our actions regarding resource use and circular economy are in line with our Circularity Position Paper. We rely on internal resources (mainly from the Sustainability and ESG Team) to coordinate and monitor our actions. Topic owners and teams implementing the measures track their effectiveness. Unless explicitly stated otherwise, all actions are ongoing.

▶ SEE ESRS E5-3 – TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Circularity strategy and resource use

In 2025, we launched our Circularity Position Paper, which outlines our updated strategy. It reflects our present status, the actions we are undertaking, and the direction we are heading. We recognize that both our internal capabilities and the external landscape, encompassing regulations, infrastructure, and consumer expectations, are evolving rapidly. Therefore, this paper is not static, but a living framework that will be evolved and strengthened as our circularity practices advance. We are convinced that sharing our position paper internally lays the groundwork for integrating circular practices throughout our value chain and steering our shift from a linear to a circular ecosystem.

Digital enablement: To ensure compliance with evolving regulations and to enable sustainable product development, we continued to invest in ESG regulatory readiness and traceability technology enablement efforts. These globally implemented digital solutions enhance transparency and accuracy in material and product data, supporting both internal decision-making and external reporting requirements.

Transition to recycled polyester: Polyester is the most widely used material in our materials portfolio. Therefore, transitioning to recycled polyester is a significant lever to lower our impact on resource use. By 2023, we had already reached 99% recycled polyester in our products, excluding trims. This brought us very close to our target of replacing all virgin polyester with recycled polyester, where technically feasible. Therefore, in 2024, we set ourselves a target aiming for 10% of our polyester volume to come from recycled textile waste by 2030, which reinforces our commitment to driving industry change. In 2025, we rolled out the adoption strategy to implement textile-to-textile recycled polyester in the seasons from 2026 onward.

Sourcing certified cotton: Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton. We are collaborating with key suppliers to increase the use of mechanically recycled cotton from our own post-industrial waste materials. Our Responsibly Sourced Cotton SOP, adopted in 2025, outlines our procurement expectations and evaluates environmental and social impacts.

▶ SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Continued use of recycled EVA and rubber: We continue to increase recycled content in EVA and rubber components, while investing in alternative materials to enhance performance. We specifically tested post-consumer rubber waste from France to validate if it reaches the performance criteria required for application in our products. We are committed to sourcing certified natural rubber that meets our standards, supported by our new Responsibly Sourced Natural Rubber SOP implemented in 2025.

▶ SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Animal-derived materials: These accounted for 5% of our total materials in 2025. All our leather, down and wool used for our products are certified through recognized standards listed above in the policy table.

▶ SEE ESRS E4-3 – ACTIONS AND RESOURCES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Innovation: We continue to explore innovative materials that reduce environmental impacts, with a particular emphasis on bio-based solutions and advancements in footwear materials through collaborative initiatives. Our commitment to footwear innovation has led us to join the Next Stride project with Fashion for Good (FFG) in 2025. This partnership aims to research bio-based solutions for our footwear soles, paving the way for a potential transition to renewable feedstock options for footwear materials.

Circular economy

At adidas, we define circularity as maintaining the value of products and materials at the highest level for as long as possible. This definition aligns with that of the United Nations Environmental Program (UNEP), as outlined in their report, 'Sustainability and Circularity in the Textile Value Chain – A Global Roadmap.' By establishing clear guidelines and adapting to emerging regulations linked to the EU Strategy For Sustainable and Circular Textiles, we aim to promote circular practices in the sportswear industry to reduce environmental impacts and support long-term sustainability.

— **Quality and Durability:** As a sportswear company, product performance and quality are vital for our success. We continuously test apparel and footwear throughout development and production, aligning with ISO standards and using testing methods such as DIN, GB, ASTM, and SATRA. All products and materials undergo lab testing, and we validate performance with athletes. We also ensure consistent production quality by providing a framework for our partners and conducting annual audits for compliance.

— **Recyclability:** As part of the Made To Be Remade (MTBR) initiative, adidas has developed end-of-life solutions for a dedicated range of products, with the objective that once returned, the product components can be remade into something new. The first product was a running shoe called Futurecraft.Loop, which was launched in 2019, which then led to a broader MTBR collection by 2023. Based on the experiences from this initiative, we understand that effective circular services require collaboration across the value chain. Therefore, in 2025, we focused on supporting multi-stakeholder initiatives to create a circular ecosystem for the apparel and footwear industry, specifically the T-REX project, and industry research projects from FFG.

Circular ecosystem

We recognize that achieving a circular economy requires systemic change and collaboration across the industry. In 2025, we advanced several multi-stakeholder initiatives:

— **T-REX Project successfully completed:** T-REX is a publicly funded EU research project aimed at creating a blueprint for how household textile waste can be sorted and recycled in a closed loop across Europe. The three-year initiative, led and coordinated by adidas, brought together 13 key participants from the entire value chain. After its successful completion, the project generated insights that now shape our circularity strategy and industry advocacy. It revealed the urgent need for integrated pre-processing and automated sorting to improve recyclability and feedstock quality, as well as for refining chemical recycling technologies to match the quality of virgin materials. The project also produced clear, science-based technical guidelines for design to improve recyclability, focusing on using recyclable main materials and reducing parts that cause contamination. Finally, a techno-economic assessment underscored the need for stronger policies and investment into better infrastructure to scale textile-to-textile recycling across Europe. These findings inform adidas' ambition to drive systemic change in the industry. Looking ahead, adidas will continue to build on the insights from T-REX through future projects and collaborations and plans to work closely with industry stakeholders and the EU Commission to shape future regulations.

— Through our **partnership with the Fashion for Good** innovation platform, we are contributing to the development of frameworks and guidelines to advance circularity in the industry:

- Enabling textile waste traceability through the **Tracing Textile Waste Project**, also co-led by Textile Exchange: A major challenge in scaling the use of textile waste for recycled content is the lack of traceability for certifications such as the Global Recycled Standard (GRS) and Recycled Content Standard (RCS). Currently, tracking textile waste is manual and fragmented, leading to difficulties in data consolidation and sharing. This issue is increasingly critical as brands and regulators demand transparency to ensure material authenticity. To standardize data collection and sharing across the

supply chain by validating a new Reclaimed Material Declaration Form (RMDF), adidas participated in a project involving three pilots – two for post-industrial waste and one for pre-consumer waste. This effort led to the development and adoption of the RMDF for GRS and RCS certifications[44]. adidas plans to utilize the RMDF for our recycled content materials in the future to verify the feedstock source and type.

- adidas participated in the **Closing the Footwear Loop project**, aimed at addressing systemic challenges to circularity in the footwear sector. The ongoing project focuses on overcoming barriers caused by fragmented and limited collection and recycling infrastructure in the EU as well as the absence of harmonized standards. We are convinced that by participating in this project, adidas has contributed to creating transparency around current post-consumer footwear sorting activities in the EU and developing industry insights from collaborative trials on end-of-life processes and impact assessment. The outcomes of this project inform adidas's approach to footwear circularity.

- The **ReWear project**, with adidas as a key partner, successfully concluded as a continuation of the Sorting for Circularity Europe initiative. This phase focused on the flows of rewearable textiles,[45] providing crucial insights into the industry's understanding of product pathways after consumer disposal. The project mapped the conditions and potential end destinations for rewearable textiles and analyzed the role of regulations and infrastructure in improving the flow of textiles into rewear value chains.

— The **BIOTEXFUTURE innovation space program**, funded by the German Federal Ministry of Research, Technology, and Space (BMFTR) and co-led by adidas AG and RWTH Aachen University, concluded in December 2025 after five years of exploring the shift from petroleum-based to bio-based textiles. By participating in ten projects, adidas contributed to the program's key material innovations: a high-performance bio-based polyamide (PA 4.10) with improved stretch and breathability, a PFAS-free water-repellent finish, and a bio-based insulation material with enhanced warmth-to-weight efficiency. These innovations are being tested in garments and on athletes and are expected to be integrated into future adidas product ranges.

— adidas is participating in the **Textile Loop pilot under CIRPASS-2**, led by Avery Dennison's atma.io platform, to advance the implementation of Digital Product Passports (DPPs) in its value chain. The pilot involves creating unique digital IDs for textile products, tracking them through downstream circular services for sorting and recycling, and enabling data exchange among all relevant stakeholders. For adidas, this engagement provides a framework for ensuring compliance with upcoming EU Ecodesign for Sustainable Products Regulation (ESPR), which includes Digital Product Passport (DPP) requirements to improve supply chain transparency, enhance the traceability of materials and product lifecycles, and enable more scalable circular business models.

— In 2025, adidas contributed to the development of the **Global Circularity Protocol for Business (GCP) Version 1, led by the World Business Council for Sustainable Development (WBCSD)**, as well as to the Circular Transition Indicators (CTI) for fashion. These initiatives aim to establish a science-based, cross-industry methodology for measuring, comparing, and disclosing progress on circular economy strategies. By participating alongside leading companies from multiple sectors, adidas helps shape a standardized framework that enables more consistent evaluation of material flows, circular business models, and resource efficiency. This engagement strengthens adidas's commitment to transparency and our belief that achieving circularity requires harmonized standards, a scientific approach, and collective action, and positions the company at the forefront of harmonized industry practice.

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Circular services

At adidas, we are convinced that Circular Business Models (CBMs) strengthen consumer connections beyond sales, promoting product longevity and encouraging sustainable behaviors. We have learned from previous pilots, such as in-store sneaker cleaning, rental, and product take-back programs over the past decade, that a global approach to CBMs is not practical as consumer expectations and cultural attitudes vary by market. We are refining our approach to circular services to focus on impactful solutions that reduce waste and extend product life. These learnings are consolidated into an internal guidance document that we leverage to work with local teams to develop tailored solutions. This decentralized approach helps us remain relevant and ready to scale successful initiatives.

Supply chain waste management

Building on the progress achieved through our global waste reduction efforts, we have continued to advance waste disposal management across our supply chain since 2021. In 2025, we further strengthened our waste-handling process, including upskilling facilities to work with credible waste treatment vendors, collaborating with partners across industries to enhance waste segregation practices and improve data accuracy across various waste streams.

To advance circularity within our supply chain, we continued to review and implement our Waste Management Guideline, ensuring alignment with evolving industry expectations. We also expanded collaboration with partners in regions where waste management infrastructure is still developing. This includes our participation in the Circular Fashion Partnership (CFP) program, led by the Global Fashion Agenda, in Cambodia and Indonesia, which brings together brands, manufacturers, and recyclers to transform post-industrial textile waste into new recycled materials. This initiative aims to enhance textile waste management activities in supplier facilities, support proper waste segregation for the recycling process, and strengthen local recycling systems.

In 2025, we conducted an internal consultation with selected Tier 1 and Tier 2 suppliers based on their geographical locations to learn about the current gaps and challenges in transitioning from a linear to a circular waste management model. The insights and ideas gathered through these workshops have provided valuable input that has helped to shape our strategic roadmap toward 2030. Building on the learning from these workshops, we will continue our collaborative efforts with industry stakeholders to support the establishment of recycling systems for textiles.

Metrics and targets

E5-3 – Targets related to resource use and circular economy

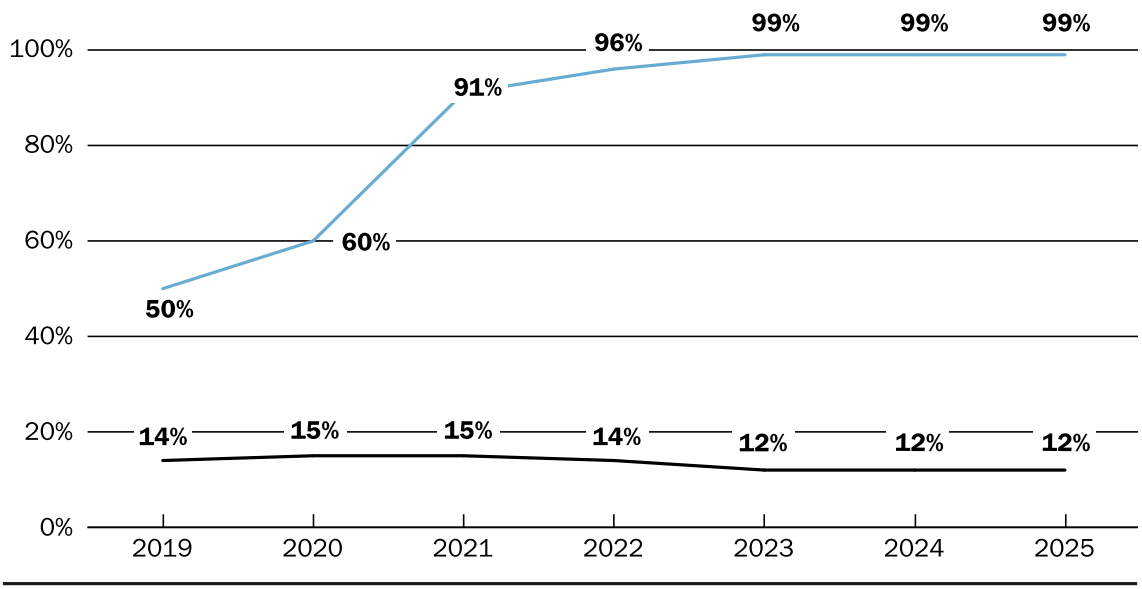
To address the multifaceted challenges of circular economy, resource use, and waste management, and to effectively steer our various efforts across these interconnected topics, we have defined specific targets related to these issues. For all targets set, we rely on scientific evidence and upcoming regulatory frameworks, such as the Ecodesign for Sustainable Products Regulation (ESPR), where they exist, and we are guided by the objectives outlined in our Circularity Position Paper. These targets are set by evaluating industry availability of resources and infrastructure that our suppliers have access to. The targets are then benchmarked against industry practices and validated during informal interactions with stakeholders.

— 10% of polyester to come from recycled textile waste by 2030: This target aims to increase closed-loop recycled polyester, shifting material usage from plastic bottles to textile waste as feedstock, minimizing the use of virgin raw materials, thereby enhancing our commitment to circularity. We are convinced that this initiative also positions us to meet anticipated regulatory requirements for responsible end-of-life management of our products. The first products with textile-to-textile recycled polyester are planned for 2026. The target applies to all polyester used in our products and aligns with the objectives of the Responsibly Sourced Material SOPs.

— Our target to use 100% recycled polyester wherever technically possible by the end of 2024 has been maintained moving forward for all polyester used in our products, ensuring we do not revert to using virgin polyester. With this commitment and achievement, our share of recycled polyester adoption has been exceeding the level of recycled polyester in global polyester production for several years[46] (see the graph below). The integrity of the recycled materials used is certified by recognized third-party certifications such as the Global Recycled Standard (GRS) and the Recycled Claim Standard (RCS). These certifications guarantee a robust chain of custody and minimize the risks of unauthorized mixing or swapping of materials. This target is specific to the increase of circular material use and the minimization of virgin raw materials, and is aligned with the objectives of the Responsibly Sourced Material SOPs.

[46] Source: Textile Exchange Materials Market Report 2025; 2025 value for global apparel industry is an estimate.

Recycled polyester share of total polyester use



— 100% third-party certified cotton: This target is aligned with the Sustainably Sourced Renewable Materials standards of Textile Exchange. Since the end of 2018, 100% of the cotton we use has come from certified sources, including organic, recycled, and other third-party certified cotton. The target covers the total volume of cotton sourced globally and is tracked on a yearly basis. In 2025 we met this target again. For detailed data on the 2025 performance, please refer to the Resource inflows section below. This target is specific to sustainable sourcing and use of renewable resources and is aligned with the objectives of the Responsibly Sourced Material SOPs.

— Deforestation and conversion free (DCF) bovine leather supply chain by 2030: This target is specific to sustainable sourcing and use of renewable resources, and is aligned with the objectives of the Standards on animal-derived materials.

▶ SEE ESRS E4-4 – TARGETS RELATED TO BIODIVERSITY AND ECOSYSTEMS

— 98% of waste from Tier 1 and Tier 2 suppliers diverted from landfills by 2025: This target is specific to waste management. It was set in 2021 based on industry benchmarks, and is aligned with our waste management guidelines and waste diversion program to assist our suppliers in enhancing waste segregation during manufacturing, reuse of non-hazardous waste, and focusing on recycling or waste-to-energy. Expanding the program globally resulted in a collective landfill diversion rate of 95% among enrolled suppliers in 2025. The slight change from last year's 96% reflects the onboarding of new suppliers, which naturally adds complexity. Despite this, overall performance remains strong, and the program continues to scale effectively. This target refers to the recycling and waste-to-energy layers of the waste hierarchy, and is aligned with the objectives of the adidas Environmental Guidelines and Waste Management Guidelines.

As explained earlier, the circular ecosystem in the apparel and footwear industry is in the early stages of development. Industry average durability and recyclability metrics and standards are still under development. Product design guidelines for these important areas can only be provided, and targets related to resource outflows can only be set once such standards are in place, which are currently under

discussion in different research and policy forums related to the EU Product Environmental Footprint Category Rules (PEFCR) and the Ecodesign for Sustainable Products Regulation (ESPR).

All of the above targets are voluntary and not mandated by law.

E5-4 – Resource inflows

We continued to increase the share of recycled and sustainably sourced renewable materials. In 2025, 60% of the materials used for our products and packaging were recycled or sustainably sourced renewable materials, contributing to our future ambitions and targets (2024: 56%).

Materials used in products: adidas' product portfolio includes apparel, footwear, as well as accessories. We outsource most of our production to independent manufacturing partners and do not purchase any significant amounts of materials or components of our products directly. We keep records of the materials used in our products in our systems. For this information, we rely on receiving accurate data from our suppliers.

Materials used in packaging: Products are packaged in the factory for protection, such as against humidity and dust. The packaging material is either paper-based (i.e., shoe boxes) or recycled low-density polyethylene (rLDPE) (i.e., polybags for apparel and some types of accessories). Additionally, paper-based transport packaging (i.e., cartons, corrugate) is used to ship products.

Our packaging is 97% paper-based (2024: 97%), with 85% made from recycled content (2024: 85%). Plastic packaging represents 3% of our packaging materials (2024: 3%), of which 98% is recycled LDPE (2024: 83%). Several of our distribution centers have started to implement reusable transport packaging and continue to reduce packaging volume by optimizing box sizes and the number of shipments. However, we are not yet able to report quantitative information on the impact these initiatives have on packaging reduction.

Other resource inflows: We currently still lack reliable data, except for water withdrawal during production processes, with more information available in the following section.

▶ SEE ESRS E3 – WATER AND MARINE RESOURCES

Materials used in adidas products and packaging in 2025[1]

	2025		2024	
	Tonnes	% of total	Tonnes	% of total
Biological materials[2]				
Paper and cardboard	145,655	21%	128,174	22%
Cotton	64,505	9%	54,883	9%
Leather	31,304	5%	24,691	4%
Natural rubber	10,896	2%	9,373	2%
Other biological materials	3,876	1%	1,899	0%
Total biological materials	**256,236**	**37%**	**219,020**	**37%**
Thereof, sustainably sourced[3]	242,544	95%	188,918	86%
Technical materials[4]				
Polyester	156,917	23%	130,365	22%
Synthetic rubber	98,098	14%	67,810	12%
EVA	51,751	7%	48,931	8%
Polyurethane (PU)	20,395	3%	24,478	4%
Other technical materials	107,049	16%	97,538	17%
Total technical materials	**434,210**	**63%**	**369,122**	**63%**
Thereof, sustainably sourced[5]	173,114	40%	141,388	38%
Total materials inflows	**690,446**	**100%**	**588,142**	**100%**

1 Details are provided in the explanatory notes to our reported material use data.

2 Biological materials are materials derived from renewable biological sources of plant or animal origin, including both virgin and recycled materials.

3 The percentage of sustainably sourced materials represents the proportion relative to the total amount of biological materials. The definition of 'sustainably sourced biological materials' can be found in the description below the table.

4 Technical materials include virgin and recycled materials.

5 The percentage of sustainably sourced materials represents the proportion relative to the total amount of technical materials. The definition of 'sustainably sourced technical materials' can be found in the description below the table.

For the definition of sustainably sourced materials, the cascading principle has been applied. In addition, we use the following certifications for sustainably sourced materials:

— For biological materials:
- For cotton: Better Cotton (mass balanced), US Cotton Trust Protocol, Organic Content Standard (OCS), Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), Recycled Claim Standard (RCS)
- For leather: Leather Working Group (LWG)
- For wool: Responsible Wool Standard (RWS)
- For down: Responsible Down Standard (RDS)

— For technical materials:
- Global Recycled Standard (GRS), Recycled Claim Standard (RCS)

Secondary (recycled) materials used in adidas products and packaging in 2025[1]

	2025		2024	
	Tonnes	% of total material type	Tonnes	% of total material type
Secondary (recycled) materials				
Recycled polyester	155,309	99%	129,388	99%
Recycled paper and cardboard	123,078	85%	108,307	85%
Other recycled materials	17,824	17%	12,048	12%
Total secondary materials[2]	**296,212**	**43%**	**249,743**	**42%**

1 Details are provided in the explanatory notes to our reported material use data.
2 Percentage relates to total material inflows presented in the above table.

Recycled textile materials are GRS- or RCS-certified. For EVA, rubber, and non-textile materials, we partially rely on supplier self-declaration, as certification is not yet available for some of the recycling processes used in footwear production. We do not purchase or track components or intermediary products, and therefore, the reuse of such components or intermediary products is not a business situation we encounter. For packaging materials, data are based on LCA data.

Explanatory notes to our reported material use data

The presented product and packaging material use data are based on the following calculation methodologies and sources:

— Materials used in adidas products: Use data are based on Spring/Summer 2025 and Fall/Winter 2025 seasons.

— Materials used for packaging: Due to the decentralized nature of our distribution, it is difficult to collect primary data for packaging. Packaging material consumption is calculated based on 2025 sales data (volume by channel) and average packaging weights per product division (based on primary data collected in 2021). The ratio between virgin and recycled materials for polybags is based on primary data collected in 2021, and recycled content for cardboard is based on LCA data (EU-28: Corrugated board 2018). The average weights for secondary (transport) packaging are based on PEFCR. Due to the fact that we use recognized and widely applied data sources and methodologies, we consider our assumptions and calculations to be solid. However, we aim to start collecting primary packaging data for key parts of the supply chain in the upcoming years to improve accuracy in the future.

— Polyester, cotton, polyamide, wool, man-made cellulosic fibers, down as well as leather: Material use is derived from actual consumption data in the bill of materials as reported by Tier 1 suppliers and the material composition information provided by our Tier 2 suppliers. Due to the complexity stemming from the product construction of leather-based footwear, we perform control checks on the weight of leather used to calculate the final leather consumption.

— Polyester trims: Material use is reported in ‘Other synthetic materials.’

— Rubber, EVA, PU, and other synthetic polymers for footwear bottom parts: Material use is calculated by extrapolating from data reported by Tier 1 and Tier 2 suppliers in the countries of origin, who account for 90% of the total footwear production volume.

— Silica (as part of other technical materials): Some country-specific material consumption volume is interpolated by applying a ratio based on the already available primary data gathered.

E5-5 – Resource outflows

There is currently no industry standard that defines circular economy principles for designing apparel and footwear products. Nonetheless, we are already following an approach that aims to consider sustainable resource use where possible. We will eventually adjust our approach when the expected adoption of the ESPR and other similar regulations provides more clarity on definitions and standards.

Durability, repairability, and recyclability are neither legally defined nor standardized in the apparel and footwear industry yet. One reason for this is the wide variety of product types and product purposes in scope. As part of the EU’s PEFCR and ESPR, several multi-stakeholder working groups are working to define standards in these areas. We plan to align our approach with regulations and standards as soon as they become available.

— Durability: While there are currently no industry average metrics or standards in place that determine durability of apparel and footwear, we are constantly testing the quality and performance of our products. More information on our testing protocols can be found within this chapter.
▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

— Repairability: There is no average metric or standard for repairability in the apparel and footwear industry. Most of our apparel products can be repaired by consumers themselves or by a tailor. Our footwear can be repaired by shoemakers, however, some of our technical footwear products and sports accessories may not be repairable due to their design or construction. In case of defective products, we provide the legally mandated warranty. We have also piloted consumer repair services to understand how we can better serve consumers in this area.
▶ SEE ESRS E5-2 – ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

— Recyclability: As mentioned in earlier sections, recycling technology for apparel and footwear is in the early stages of development. Due to the lack of a standardized definition of recyclability and the respective infrastructure (collecting, sorting, and recycling), it is not possible to claim recyclability for our products at this time. There is currently no established process for the treatment of textile waste in the EU. While some countries have initiated efforts in this area, current practices vary significantly from country to country. We continuously monitor developments in this area and remain committed to supporting the creation of a circular ecosystem.

As for the packaging materials, we use only mono-material packaging for our plastic and paper packaging, which is fully recyclable. The LDPE polybags used for apparel and some types of accessories are also recyclable.

EU Taxonomy

Reporting scope for fiscal year 2025

In 2020, the EU introduced the EU Taxonomy Framework ('Taxonomy'), a classification system to determine the environmental sustainability of economic activities. The Taxonomy was amended in 2023 and subsequently revised and simplified in 2025. The updated Delegated Act was adopted by the European Commission in July 2025, and by the Council and the European Parliament in January 2026. adidas has been applying the updated Delegated Act. In line with the Taxonomy requirements, we are obligated to disclose the share of our Taxonomy-eligible and Taxonomy-aligned turnover (net sales), capital expenditure ('CapEx') and operating expenses ('OpEx') for the following six environmental objectives:

- Climate change mitigation
- Climate change adaptation
- Sustainable use and protection of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems.

Determination of Taxonomy-eligible activities

Due to the adidas core business activities, i.e., the manufacturing of textiles and footwear as well as the wholesale and retail sale thereof, remaining out of the scope of the Taxonomy, we have no turnover-generating Taxonomy-eligible activities to report on for 2025. Unchanged to prior years, Taxonomy-eligible activities at adidas were identified only in connection with the environmental objective of climate change mitigation ('CCM'). These activities are related to our climate strategy actions and form part of our own operations decarbonization lever.

▶ SEE ESRS E1 – CLIMATE CHANGE

With the adoption of the revised Delegated Act in January 2026, non-financial undertakings may report cumulated activities that fall below a 10% materiality threshold of the respective denominator KPI as non-material, using the simplified reporting approach. This reduces the scope of mandatory disclosure for adidas to a single activity:

— CCM 7.7 Acquisition and ownership of buildings (including building leases)

Assessment of Taxonomy alignment of Taxonomy-eligible activities

Since the identified Taxonomy-eligible activities all relate to the purchase of output from potentially Taxonomy-aligned activities, the Taxonomy alignment assessment needs to be performed at the output, i.e., production level and is dependent on acquiring the relevant information from the respective third-party suppliers. Due to the expected time and resource investment necessary for assessing all individual projects and items contributing to the eligible activities, we prioritized the assessment of those individual activities that were most material in terms of value and/or were more likely to be Taxonomy-aligned due to the availability of the necessary information.

CCM 7.7: Eligible activities include the leasing of warehouses/distribution centers, own retail stores, and corporate offices. The applicable substantial contribution and 'do no significant harm' (DNSH) criteria are in connection with the primary energy demand of the analyzed building and the performance of a robust climate risk and vulnerability assessment for the building location, respectively. The substantial contribution

criterion evidence that is most relevant for adidas in this regard is the existence of an Energy Performance Certificate (EPC) class A. Many of the eligible building leases are located outside of the EU, where this EU-centric certification is not common practice and other standards and frameworks, which are not mentioned in the Regulation, are typically used (e.g., LEED certification). In line with the generally low share of available non-residential buildings meeting these energy performance standards across our markets, only a few eligible leases in 2025 fulfill this criterion. This is particularly the case for our eligible retail leases as many retail stores are mall-based, where adidas has only very limited influence on the building design and/or (re)development. In addition, certain eligible retail lease locations are heritage sites for which it is not possible to obtain EPC class A certification. The climate risk analysis was performed on a case-by-case basis using different information sources, such as input from landlords and/or our insurance provider. In addition, the insights related to our climate resilience analysis were taken into account to perform the DNSH assessment for several eligible buildings. For the majority of the assessed building leases not all information was available for a complete and conclusive assessment exactly as per the methodology and scope prescribed by the regulation. However, several eligible lease contracts – covering a smaller warehouse in Dubai as well as multiple retail and corporate office locations across Europe – meet the substantial contribution criterion.

▶ SEE ESRS E1 – CLIMATE CHANGE

Minimum safeguards

The minimum safeguards form part of the Taxonomy alignment criteria. Their purpose is to clarify that eligible economic activities can only be environmentally sustainable when performed in circumstances that are compliant with social norms and certain minimum governance standards. In this context, companies must implement appropriate processes and procedures to avoid negative influences on or violations of the following four specific topics: human rights (including labor rights), taxation, corruption/bribery, and fair competition.

adidas has taken a company-wide approach to meeting the minimum safeguards covering human rights, taxation, corruption/bribery, and fair competition. Our subject matter experts in the areas of social and environmental affairs, tax, and legal determined the extent to which the mentioned governance standards and policy frameworks are already embedded in existing adidas policies (e.g., adidas Human Rights Policy) and standard operating procedures (e.g., adidas Fair Play Code of Conduct), as well as in its compliance management system.

As in 2024, our assessment for the fiscal year 2025 confirmed that Taxonomy-eligible activities were performed in a manner that is fully compliant with minimum safeguards. We maintain rigorous internal policies and oversight mechanisms to ensure ongoing compliance with these standards.

More information on our compliance with the respective criteria is included in this Annual Report:

— Human rights and labor rights

▶ SEE ESRS S1 – OWN WORKFORCE ▶ SEE ESRS S4 – CONSUMERS AND END-USERS

— Taxation

▶ SEE RISK AND OPPORTUNITY REPORT

— Corruption/bribery

▶ SEE RISK AND OPPORTUNITY REPORT ▶ SEE ESRS G1 – BUSINESS CONDUCT

— Fair Competition

▶ SEE RISK AND OPPORTUNITY REPORT

Determination and reporting of Taxonomy KPIs

Turnover KPI: Turnover as per the Taxonomy (denominator of the turnover KPI) is equivalent to our net sales disclosed in the consolidated financial statements in this report. In 2025, the turnover amounts to € 24,811 million (2024: € 23,683 million). The identified eligible activities at adidas were not turnover generating, resulting in a numerator value of '0' and, accordingly, a turnover KPI of 0% eligible turnover.

▶ SEE INCOME STATEMENT

CapEx KPI: In comparison to the disclosed CapEx value of € 477 million in this report, the Taxonomy definition of CapEx results in a total value of € 1,158 million (denominator of the CapEx KPI) at adidas (2024: € 1,767 million). The denominator contains, in accordance with the definition of the Taxonomy and as disclosed in this report, additions to buildings, technical equipment and machinery, other equipment, furniture and fixtures, right-of-use assets, and other intangible assets, before depreciation, amortization, and remeasurements. To calculate the numerator of the CapEx KPI, we analyzed the additions in relation to the identified eligible activities as described above. In this process, we conducted several control measures, such as plausibility checks and reconciliations, to avoid double-counting of additions. In total, the corresponding numerator of the eligible CapEx KPI amounts to € 659 million (2024: € 1,243 million), resulting in a CapEx KPI of 57% eligible and 43% non-eligible CapEx. The eligible CapEx in 2025 solely relates to building leases (CCM section 7.7), which amount to € 659 million. While a total of € 79 million of eligible CapEx complies with the substantial contribution criteria, € 0 million of eligible CapEx are Taxonomy-aligned, yielding a CapEx KPI of 0% aligned CapEx (2024: 33% aligned CapEx). Other activities, like company car leases (CCM section 6.5) and energy efficiency measures (CCM section 7.3), both assessed in prior years, fall within the scope of the EU Taxonomy but are non-material for adidas due to their low CapEx contribution (8%) and are excluded from the numerator, but remain part of the denominator.

▶ SEE STATEMENT OF FINANCIAL POSITION AND STATEMENT OF CASH FLOWS

Taxonomy-eligible CapEx in 2025

€ in millions	Total	Taxonomy-eligible	in %	Substantial contribution	in %	Taxonomy-aligned	in %	Taxonomy-non-eligible	in %
CapEx	**1,158**	**659**	**57%**	**79**	**7%**	**—**	**—%**	**499**	**43%**
CCM 7.7 Acquisition and ownership of buildings (including building leases)	659	659	57%	79	7%	—	—%	—	—%

OpEx KPI: The Taxonomy definition of 'OpEx' refers to expenditure for research and development, short-term leases, maintenance and repair, as well as certain other expenditure. In 2025, this amounts to € 1,062 million (denominator of the OpEx KPI) at adidas (2024: € 954 million), which compares to € 24,811 million of net sales and € 10,871 million of OpEx as per the consolidated financial statements for adidas disclosed in this report. In the context of our business model, which is the design, development, production, and marketing of a broad range of performance and sports lifestyle products, we consider the Taxonomy OpEx KPI denominator value to be insignificant. Consequently, and in line with the provisions of the regulation, we report the numerator value of our Taxonomy-eligible OpEx KPI as € 0 (2024: € 0). No further information on the alignment of eligible OpEx can be provided in this Annual Report, accordingly.

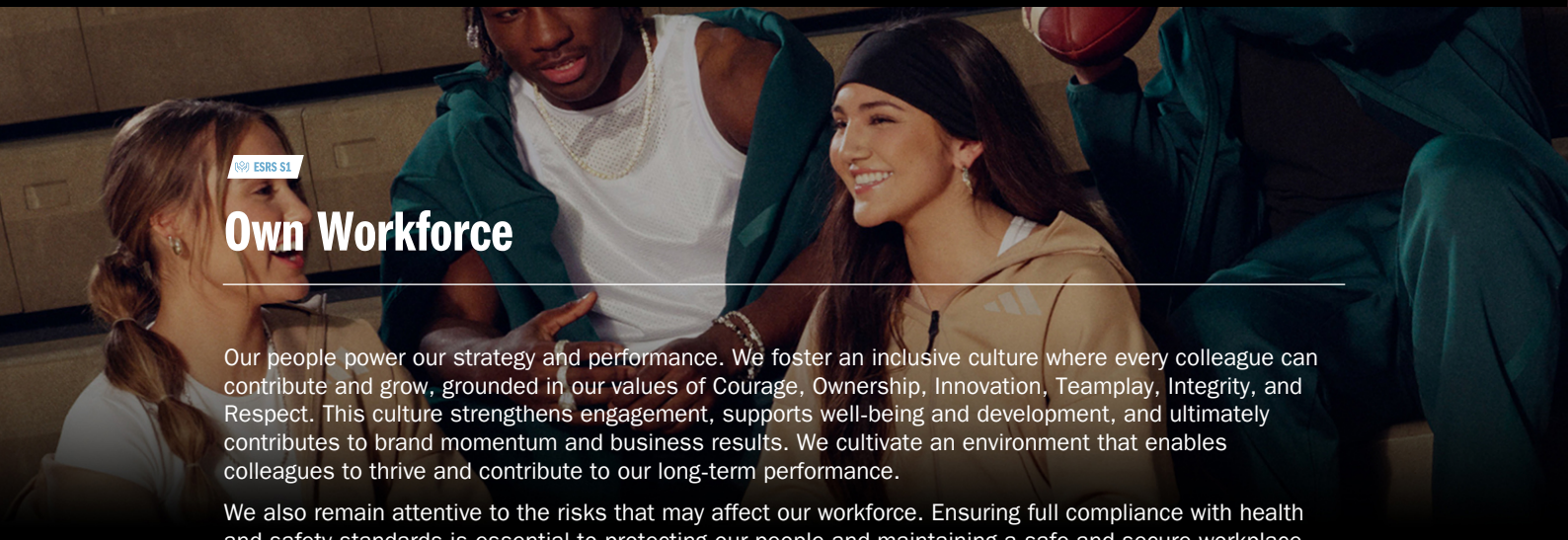
We consider the EU Taxonomy to be a potentially valuable instrument that might help us validate and adjust our sustainability ambitions over time, assuming our core business activities become eligible to contribute to the Taxonomy's environmental objectives and a common interpretation of all aspects relevant to adidas is established. At the time of the publication of this report, it remains unclear if this will happen in the foreseeable future.

Proportion of turnover, CapEx, OpEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering business year 2025 (summary KPI)

Business year 2025					Breakdown by environmental objectives of taxonomy-aligned activities										
KPI (1)	Total (2)	Proportion of taxonomy-eligible activities (3)	Taxonomy-aligned activities (4)	Proportion of taxonomy-aligned activities (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Proportion of enabling activities (12)	Proportion of transitional activities (13)	Not assessed activities considered non-material (14)	Taxonomy-aligned activities in financial year 2024(15)	Proportion of taxonomy-aligned activities in financial year 2024 (16)
	€ in millions	in %	€ in millions	in %	in %	in %	in %	in %	in %	in %	in %	in %	in %	€ in millions	in %
Turnover	24,811	—%	—	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—	—%
CapEx	1,158	57%	—	—%	—%	—%	—%	—%	—%	—%	100%	—%	8%	576	33%
OpEx	1,062	—%	—	—%	—%	—%	—%	—%	—%	—%	—%	—%	—%	—	—%

Proportion of CapEx from products or services associated with Taxonomy-eligible or Taxonomy-aligned economic activities – disclosure covering business year 2025 (activity breakdown)

Reported KPI CapEx, business year 2025					Environmental objective of taxonomy-aligned activities								
Economic activities	Code (2)	Taxonomy-eligible KPI (proportion of taxonomy-eligible CapEx) (3)	Taxonomy-aligned KPI (monetary value of CapEx) (4)	Taxonomy-aligned KPI (proportion of taxonomy-aligned CapEx) (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of taxonomy-aligned activities (14)
		in %	€ in millions	in %	in %	in %	in %	in %	in %	in %	(E where applic-able)	(T where applic-able)	in %
Acquisition and ownership of buildings (building leases)	CCM 7.7	57%	—%	—%	—%	—%	—%	—%	—%	—%	E		—%
Sum of alignment per objective		[redacted]	[redacted]	[redacted]	—%	—%	—%	—%	—%	—%	[redacted]	[redacted]	[redacted]
Total KPI (CapEx)		57%	—	—%	—%	—%	—%	—%	—%	—%	100%	—%	—%



ESRS S1

Own Workforce

Our people power our strategy and performance. We foster an inclusive culture where every colleague can contribute and grow, grounded in our values of Courage, Ownership, Innovation, Teamplay, Integrity, and Respect. This culture strengthens engagement, supports well-being and development, and ultimately contributes to brand momentum and business results. We cultivate an environment that enables colleagues to thrive and contribute to our long-term performance.

We also remain attentive to the risks that may affect our workforce. Ensuring full compliance with health and safety standards is essential to protecting our people and maintaining a safe and secure workplace. Continuous learning plays a critical role in strengthening engagement and future readiness. Addressing these areas is an integral part of how we safeguard our people and continue to strengthen our culture.

Key metrics

Employees by region



Total number of employees

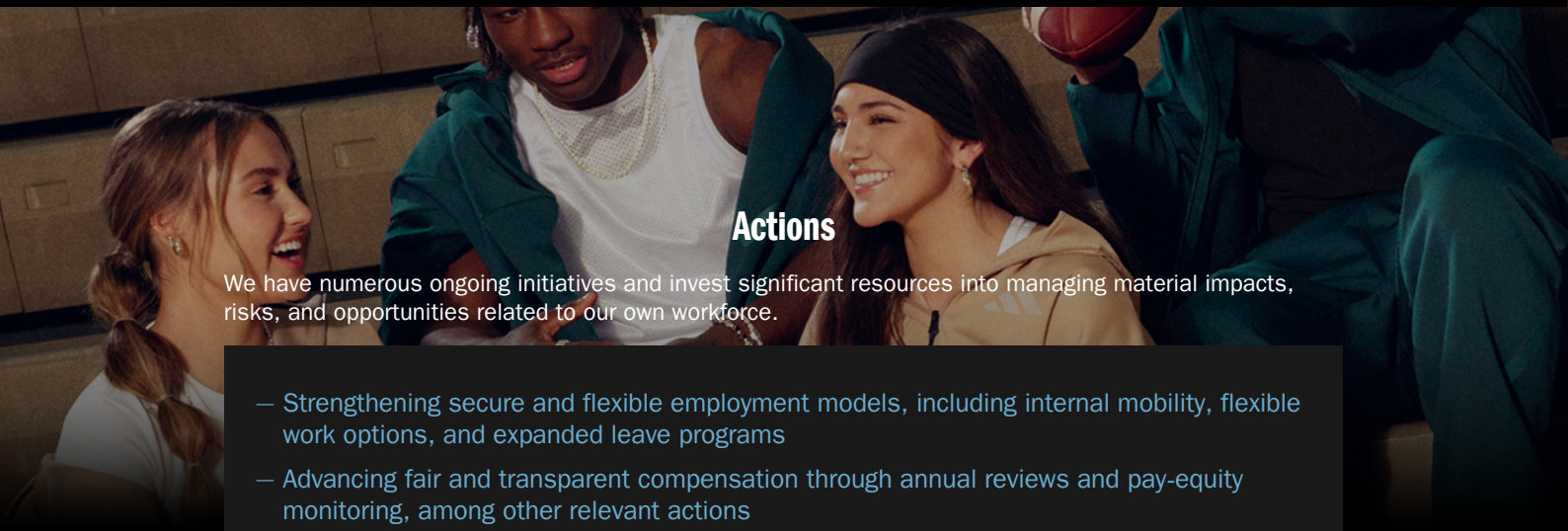
64,938

Gender split

Male 48% | Female 52%

Number of nationalities

180



Actions

We have numerous ongoing initiatives and invest significant resources into managing material impacts, risks, and opportunities related to our own workforce.

- Strengthening secure and flexible employment models, including internal mobility, flexible work options, and expanded leave programs
- Advancing fair and transparent compensation through annual reviews and pay-equity monitoring, among other relevant actions
- Enhancing health, safety, and well-being via extended health and safety as well as mental-health trainings, accident investigations, and hybrid wellness offerings
- Investing in talent development with global leadership programs, such as Functional Academies, the GHIPO program, mentoring, and improved performance practices

Targets

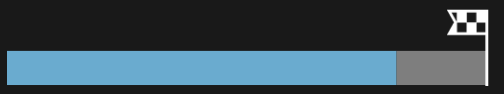
Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions is paramount and we achieve it through aligned and measurable goals.

Global equal pay target

Our ambition is to identify and monitor pay gaps and take concrete measures to close them. We intend to do this globally across all countries with adidas employees, in line with, but not necessarily limited to, the scope of the EU Pay Transparency Directive.

Women in leadership positions[1]

Status 2025	2033 ambition
41%	50%



1 Director (M2) and above positions.

Health and safety target

adidas sets KPIs to fulfill and track the progress of its Health and Safety Policy, with the goal of minimizing work-related incidents.

ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks, and opportunities and their interaction with strategy and business model

Our people are the key to our company's success. Their performance, well-being, and personal development have a significant impact on our brand reputation, consumer satisfaction, and, ultimately, our results. In our roadmap to success, we emphasize the focus on our own workforce as a foundational pillar that will guide us in the years to come.

Our goal is to develop a culture that values our employees' experience, well-being, and performance. To support this aim, we rely on our six values – Courage, Ownership, Innovation, Teamplay, Integrity, and Respect – across our people policies and processes, including how we hire, promote, and evaluate performance. These values are closely tied to our culture and are the essence of our identity. They underscore the behaviors and mindsets we value in our colleagues, represent the attitude we want to see in each other, and help us achieve top performance. These values also build the foundation of our leadership framework called 'Leadership^{3},' which is built around nine core competencies divided into three key areas: Excel, Empower, and Elevate, which guide leaders in driving performance, building inclusive teams, and fostering innovation.

Our business model is fundamentally driven by people, encompassing skilled and creative individuals. As a result, fostering excellent working conditions and supporting freedom of association and the right to collective bargaining are material for us. This includes ensuring secure employment, promoting a healthy work-life balance with flexible and fair working time, enhancing employee engagement and development, creating an inclusive workplace for all employees that leverages everyone's talents, and providing competitive compensation and benefits. These factors are crucial for attracting and retaining top talent, which in turn guarantees high product quality and the ability to meet customer demands.

Our continued focus on our people can be further explained by our priorities around creating an equal playing field for all, leadership and performance. These pillars seek to focus our efforts on people and culture by:

— embedding inclusion and belonging even further into talent processes and our culture in a legally compliant manner;
— attracting, developing, and retaining key talent;
— developing role-model leaders who empower people;
— instilling a mindset of continuous learning;
— recognizing and rewarding performance.

The interests, views, and rights of our employees are highly important to us. We engage with them through multiple channels and events to continually adapt our focus on people and roadmap to success.

SBM-3 – Own workforce and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Secure employment	Positive Impact	Actual	n.a.	Own operations	Providing a safe working environment for employees contributes to better productivity, well-being (incl. mental and physical health), and financial stability.
Working time	Positive Impact	Actual	n.a.	Own operations	Providing flexible and fair working time and rules for employees actively supports employee well-being (incl. mental and physical health) and work-life balance.
Adequate wages	Positive Impact	Actual	n.a.	Own operations	Adequate wages positively impact employees' financial security and stability, contributing to overall well-being and motivation.
Freedom of association	Positive Impact	Actual	n.a.	Own operations	Basic human and labor rights positively impact employees' abilities to protect and enforce their rights and represent their views and interests around working conditions on an institutional level.
Collective bargaining	Positive Impact	Actual	n.a.	Own operations	Collective bargaining can offer employees the opportunity to negotiate employment conditions at a collective level. Negotiations on a collective level are also possible through representatives elected directly by employees, such as works councils, which can also lead to positive results.
Work-life-balance	Positive Impact	Actual	n.a.	Own operations	Providing flexible working hours and hybrid working, where job responsibilities allow, helps employees achieve a better balance between their private and professional lives.
Health and safety	Negative Impact	Actual	n.a.	Own operations	Negative impacts occur around mental and physical health, impacting an individual's ability to perform well at work.
Health and safety	Risk	n.a.	Short-term	Own operations	Non-compliance with health and safety regulations or security measures across our operations, risks legal penalties, fatalities, and reputational damage for adidas, particularly when responsibilities are unclear, or awareness is lacking.
Gender equality and equal pay	Negative Impact	Actual	n.a.	Own operations	Unfair and unequal treatment of employees leads to financial disadvantages for individuals and negatively impacts career progression and employee engagement.
Training and skills development	Positive Impact	Actual	n.a.	Own operations	Providing training positively impacts our employees' engagement, qualifications, professional development, and career progression.
Training and skills development	Negative Impact	Potential	Long-term	Own operations	Lack of training and skills development can result in lower employee engagement and qualifications and hinder career progression.
Training and skills development	Risk	n.a.	Short-term	Own operations	As we rely on a talented and skilled workforce, inadequate training and development may lead to higher staff turnover rates and the loss of key personnel and capabilities, resulting in productivity inefficiencies, disruption of key business activities, suboptimal business performance, and higher costs.
Training and skills development	Opportunity	n.a.	Mid-term	Own operations	adidas relies on the skills and capabilities of its people and leaders to realize its strategic ambitions. If adidas successfully develops an inclusive, and talented workforce that maintains a culture of trust, creativity, and innovation, employee engagement will increase.
Employment and inclusion of persons with disabilities	Negative Impact	Actual	n.a.	Own operations	Insufficient employment opportunities and career progress for people with disabilities negatively impact overall employee engagement levels, as employees expect a more inclusive working environment.
Measures against violence and harassment	Negative Impact	Actual	n.a.	Own operations	Harassment and violence negatively impact the mental and physical health of all employees. In particular, Retail employees can be exposed to external incidents like criminal activities for example store robberies.
Diversity	Positive Impact	Actual	n.a.	Own operations	Providing an inclusive working environment and fair opportunities for individuals helps employees feel a sense of belonging and engagement.
Diversity	Negative Impact	Potential	Long-term	Own operations	Unconscious and conscious biases in our systems and practices can negatively impact employees' career development and personal health.
Diversity	Opportunity	n.a.	Mid-term	Own operations	adidas strives to develop people and leaders of all backgrounds with the capability to maintain an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory as well as a culture of trust, diversity of thought, creativity, and innovation. This development can lead to greater employee satisfaction and engagement, as well as innovation, which may enhance adidas' capacity to execute its strategy and potentially overachieve its financial objectives.
Diversity	Risk	n.a.	Short-term	Own operations	adidas relies on the skills and capabilities of its employees and leaders to achieve its strategic ambitions. If adidas fails to further develop an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory as well as a culture of trust, diversity of thought, creativity, and innovation, this might lead to decreased employee satisfaction and engagement. As a result, adidas would jeopardize its capacity to execute its strategy and achieve its financial objectives.

All employees in adidas' own workforce that can be materially impacted are included in the scope of our disclosures under ESRS 2.

Types of employees affected by workforce-related material impacts

Employees – all employed by the company:

— **Corporate:** Employees working across a diverse range of functions that are located in corporate offices around the globe. These roles fall under various job family groups, including Brand Management & Communications, Corporate Services, Data Analytics & Data Science, Digital, General Management & Business Development, Legal & Regulatory, Merchandising & Planning, People & Culture, Product Development & Operations, Real Estate & Facilities, Sales, Sourcing, Supply Chain Management, and Technology.

— **Retail:** Employees responsible for adidas retail operations, including the promotion and sale of in-store products and services directly to end-consumers. This group includes both front-line staff with direct customer interaction – such as shop floor personnel, cashiers, and sales associates – as well as back-office roles focused on store administration and management.

— **Distribution Centers (DCs):** These employees include those working in both operational and administrative roles. This encompasses back-office functions such as administration and management, as well as logistics and planning teams responsible for productivity, inventory, quality control, and reporting. Operations teams within the distribution centers manage the receipt, storage, and shipment of products, ensuring efficient flow and accurate documentation throughout the process.

— **Production:** Responsible for setting up, operating, maintaining, and troubleshooting manufacturing production (i.e., machining, processing, assembly, or modifying) equipment for any factories and centers. They help to ensure innovative and cost-efficient production processes with optimal capacity utilization.

Non-employees – external workforce types:

— **Contingent labor:** Individuals who are sourced on a role or project basis. There are two different types of contingent labor:

  - **Temporary labor:** Individuals employed by temporary staffing agencies for the purpose of being assigned to other companies temporarily. Temporary labor workers perform internal adidas roles and are directly supervised and managed by adidas employees.

  - **Individual suppliers/employed professionals/employed consultants:** As experts in their fields, these individuals advise companies within their area of expertise; however, unlike temporary labor workers, they typically work independently while offering guidance and advice on strategic, legal, financial, or other matters.

— **Services Procurement:** In the area of Services Procurement, external service providers are companies that deliver people-based services to a company in an autonomous, liable, and self-reliant way. These include technical consulting companies, specialty services, marketing agencies, and maintenance companies. They are typically retained to perform project-based work under a contractual arrangement often called a Statement of Work (SOW).

Our employees are affected by both positive and negative material impacts to varying degrees due to the nature of their work:

SBM-3 – Material negative impacts – systemic or individual

Material topic	Material negative impact – systemic or individual
Health and safety	Individual – due to incidents in the workplace that could be related to physical violence, accidents in the workplace, or interaction with hazardous materials.
Gender equality and equal pay	Systemic – countries with laws restricting women from employment are more at risk of having unequal pay and lower workforce gender diversity.
Training and skills development	Systemic – due to the availability of training and skill development offerings across countries and functions.
Employment and inclusion of persons with disabilities	Systemic – due to inclusion in terms of hiring and accessibility for disabled persons in the workplace.
Measures against violence and harassment	Individual – due to incidents in the workplace that may be related to physical violence between employees or between non-employees and customers.
Diversity	Systemic – countries with laws limiting rights of the LGBTQIA+ community, women's employment, or restrictive immigration laws are more at risk of having lower diversity.

The business model of adidas is expected to be impacted by climate change only in the long term, as described in the topical standard ESRS E1 Climate Change. Most of our environmental impacts occur in our upstream value chain. Therefore, our primary efforts to reduce environmental impacts focus on increasing the use of green energy in our upstream value chain, developing new materials, and changing the existing mix toward lower-impact materials. We do not anticipate any restructuring or employment loss as part of our response to climate change. Instead, we see the transition to greener operations as a potential opportunity to create new jobs and upskill our own workforce on environmental topics.

We have also identified risks and opportunities that relate to specific groups of people rather than the entire workforce:

SBM-3 – Material impacts on employee groups

Material topic	Corporate/Retail/DC	Non-employees
Secure employment	Job security has a greater positive material impact on corporate employees, but it is less significant for DC and Retail workers due to the seasonality of workforce demand. Employees with non-guaranteed working hours – who are more common in retail, albeit only in certain markets – and temporary workers may be at a higher risk for adverse impacts due to the nature of their employment arrangements.	Demand volatility contributes to circumstances where non-employees may face more unpredictable employment conditions or are subject to short- or fixed-term contracting compared to employees.
Working time	Working time has a more positive impact on corporate employees, who have more flexible working options, whereas Retail and DC employees work on-site. Time tracking is simpler in Retail and DCs as these utilize system check-ins and check-outs, while corporate time tracking is trust-based and completed online in many locations, and varies in line with local regulatory requirements.	The positive impact is lower for non-employees as they are subject to working time tracking and benefits from their direct employer.
Work-life-balance	The actual positive impact on employees, particularly corporate workers who do not work in shifts, stems from the availability of flexible working hours and hybrid work options.	The positive impact is lower for non-employees as they are subject to working time tracking and benefits from their direct employer.
Adequate wages	Differentiation is driven by geography, could also differ by employee groups.	Potentially different impact as non-employees may be subject to conditions offered by their direct employer.
Freedom of association	No differentiation due to common framework.	Less material impact as non-employees are subject to rights from their direct employer.
Collective bargaining	No differentiation due to common framework.	Less material impact as non-employees are subject to rights from their direct employer
Health and safety	Health and safety is a greater risk for DC and Retail employees due to the physical nature of their jobs, which exposes them to potential accidents or hazardous materials. Retail employees working in busy urban areas also have a higher exposure to violence as their workplaces provide open access to customers.	Non-employees benefit from the same on-site health and safety measures as employees.
Gender equality and equal pay	No differentiation within types of employees due to common salary frameworks applicable to these types of employees.	Potentially different impact where non-employees are subject to conditions offered from their direct employer.

SBM-3 – Material impacts on employee groups

Material topic	Corporate/Retail/DC	Non-employees
Training and skills development	This opportunity is most pronounced for corporate employees, who generally have broader access to digital infrastructure, online training, and in-person learning within the office environment. In Retail, access to development opportunities has improved through enhanced connectivity to corporate platforms, expanded digital learning options, and new in-person formats, especially for store management. In DCs we took major steps in 2025 improving technical access and digital learning availability for our DC frontline employees and strengthened DC leadership development across all leadership levels.	Potentially different impact as non-employees are subject to offers for training and skills development from their direct employer.
Employment and inclusion of persons with disabilities	Greater risk for DC and Retail employees due to the physical nature of their jobs and the physical limitations of retail stores and DC warehouses, which make the inclusion of disabled persons more complex.	Greater risk for non-employees in DC and Retail environments due to the physical nature of their jobs and the limitations of the environment.
Measures against violence and harassment	Retail employees face a greater risk due to direct consumer contact, which can impact workplace security. In contrast, corporate and DC employees experience no increased risk, as access to their workplaces is restricted or closed.	Non-employees benefit from the same on-site health and safety measures as employees.
Diversity	Diversity in DC and Retail workers is represented by local ethnicities and diversity demographics, as hiring practices primarily focus on the local and seasonal workforce, and international mobility packages are less common. All DC, Retail and corporate employees benefit from a more positive impact regarding diversity.	Similar to employees.

SBM-3 – Material risks and opportunities arising from impacts relating to specific groups of people

Risks and opportunities of material topic	Corporate/Retail/DC	Underrepresented groups	Employees in crisis/conflict areas
Health and safety	Health and safety is a greater concern for DC and Retail employees due to the physical nature of their jobs and higher exposure to potentially hazardous situations and materials.	n.a.	Potential health and life threats (not work-related) in active military conflict areas and in crisis areas due to natural or environmental disasters.
Training and skills development	More opportunities for corporate employees due to the nature of their work, better access to digital infrastructure and online training programs, and in-person training conducted within the office environment.	Global inclusion and belonging training, together with strong Employee Resource Groups (ERGs), helps create a more inclusive environment and enhances working conditions, particularly for underrepresented groups.	Fewer opportunities to conduct on-site training.
Diversity	Higher risk for DC and Retail employees due to hiring practices that rely more on local workforces.	Risk: Lack of non-exclusionary and non-discriminatory practices can negatively impact the careers and personal health of employees. This may also result in lower representation across different levels, especially across higher-ranking roles. Opportunity: Engage in measures that provide an inclusive environment and fair opportunities for all individuals, helping employees feel a sense of belonging and engagement.	n.a.

Impact, risk and opportunity management

S1-1 – Policies related to own workforce

At adidas, our policies serve as a foundational framework to guide ethical behavior, ensure compliance, and foster a respectful and inclusive workplace. We take a principles-based approach, aligning our policies with global standards, local regulations, and adidas' core values. As a diverse company where 180 (2024:175) nationalities bring their uniqueness to work each day, we are united by our values of Courage, Ownership, Innovation, Teamplay, Integrity, and Respect. These values are embedded in our policies, which aim to safeguard employees' rights, educate our workforce on acting with integrity and non-discrimination, and establish the necessary frameworks for a safe and empowering working environment. Each policy is designed to be clear, accessible, and actionable – articulated in a way that supports understanding across diverse roles and regions, enabling consistent application while allowing for contextual relevance.

S1-1 – Policies related to own workforce

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Company agreements on working location flexibility (WC)	Enable mobile working, both nationally and internationally.	Own operations (corporate employees globally, where locally possible)	Executive Board Member Global Human Resources, People and Culture	n.a.	Works Council	Available for all employees
Rewards Strategy and Compensation Policy (WC)	Outlines the elements of employee total compensation, ensures consistent application within adidas, and sets the related monitoring actions.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Global Training Policy (WC, ET)	Outlines adidas' approach to training and its expectation that employees complete all mandatory trainings. Monitored through the Learning Management System (LMS).	Own operations (all adidas employees with regular access to the LMS)	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Health and Safety Policy (WC)	Establishes uniform, mandatory global standards for minimum occupational health and safety for adidas employees, visitors, and external service providers. Country-specific policies complement it.	Own operations	Executive Board Member Global Human Resources, People and Culture	ISO 45001	n.a.	Available for all employees
Integrated Management System Global Policy (WC)	Sets standards for adidas entities worldwide to manage operations in a safe, healthy, energy-efficient and environmentally responsible manner and continuously improve practices. Regarding its own workforce, adidas specifically has a Health and Safety Management System in place that aligns with ISO standards.	Own operations	Executive Board Member Global Human Resources, People and Culture	ISO 14001, ISO 45001, ISO 50001	n.a.	Accessible on corporate website
Fair Play Code of Conduct (ET)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems in which they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing. Promotes a respectful, equitable, and inclusive work environment.	Entire value chain	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Anti-Harassment and Anti-Discrimination (ET)	Details how adidas prevents, detects, and responds to all forms of discrimination and harassment. Complemented by the adidas Fair Play Code of Conduct.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Accessible on corporate website
Equal Employment Opportunity (ET)	Ensures adidas and its entities comply with local laws, act as equal employers, and make employment decisions based on merit. Prohibits discrimination based on race, color, creed, origin, sex, orientation, age, ancestry, disability or other factors.	Own operations	Executive Board Member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Human Rights Policy (WC, ET)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
WC – Working Conditions
ET – Equal Treatment and Opportunities for all

Our human rights approach

adidas is committed to respecting human rights in accordance with the United Nations Guiding Principles on Business and Human Rights (UNGPs). We also draw on guidance from the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises. adidas' commitment embraces all internationally recognized human rights, including those contained in:

— the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the International Covenant on Economic, Social, and Cultural Rights; and

— the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work. They include freedom of association, the right to collective bargaining, and the rights not to be subjected to forced or child labor or discriminated against regarding employment and occupation.

Where there is potential for adverse impacts on vulnerable people or groups, we will also consider other international standards and principles that elaborate on the rights of such individuals or groups, including Indigenous peoples, women, national, ethnic, religious, and linguistic minorities, children, disabled people, migrant workers and their families, and human rights defenders. Our considerations include, for example, the Convention on the Elimination of All Forms of Discrimination Against Women and the Convention on the Rights of the Child.

Our commitment to human rights is supported through an ongoing due diligence process to identify, address, evaluate, and communicate the risks of involvement with adverse human rights impacts. Our Human Rights & Environmental Due Diligence (HREDD) processes are also aligned with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. We are committed to providing for or cooperating in the prevention, mitigation, and remediation of adverse human rights we have caused or contributed to, and will seek to promote or cooperate in the mitigation and remediation of adverse impacts where we are linked to these through our business relationships. Moreover, our commitment is supported by key policies, including the adidas Workplace Standards – our supply chain code of conduct outlining our expectations on human rights and employment standards, including those regarding forced labor, child labor, discrimination, wages, benefits and compensation, working hours, freedom of association and collective bargaining, worker health and safety, and environmental practices. More details are provided in the S2 – Workers in the value chain chapter.

▶ SEE ESRS S2-1 – POLICIES RELATED TO VALUE CHAIN WORKERS

Concerning human rights issues, adidas engages with its workforce both directly and through work councils. Details on how we engage with employees and provide open channels for communication and grievances are provided within this chapter.

▶ SEE ESRS S1-2 – PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS
▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

As mentioned above, adidas' human rights policy related to its own workforce includes safeguarding against human trafficking, forced or compulsory labor, and child labor. Further details on how we address these issues, including measures to provide and/or enable remedies for human rights impacts, can be found in this chapter.

▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

S1-2 – Processes for engaging with own workers and workers' representatives about impacts

adidas strives to engage all employees within our workforce, and we leverage our employees' valuable feedback to improve our business and management. Through various communication and engagement methods implemented across our global organization and workforce, we seek diverse perspectives to identify, understand, and address any negative, positive, actual, or potential material impacts. adidas engages directly with its own workforce as well as workers' representatives. We incorporate our workforce's perspectives into decision-making and activities seeking to manage material impacts by gathering and integrating employee feedback into our strategic and operational processes. We present insights from various employee surveys to senior leadership and the Board, which inform action plans and shape initiatives to address identified concerns. For example, our employee listening survey outcomes are utilized and influence our strategies aimed at improving employee engagement and retention or feelings of inclusion and belonging.

We also integrate feedback from workers' representatives and works councils into our management approach and practices. This collaboration ensures that employee concerns are addressed in the negotiation and implementation of company agreements, demonstrating adidas' commitment to aligning its actions with the interests and needs of its workforce. Additionally, employee perspectives are directly integrated at the highest levels of decision-making through employee and union representatives on adidas' Supervisory Board. This representation ensures that employee interests are formally considered in strategic decisions. Outcomes of decision-making and how they were influenced by our engagement with the workforce are communicated to employees in a timely manner and on an ongoing basis. The forums and channels we use include global or local town hall meetings, our corporate intranet, company-wide email communication, our internal social media tool, leadership- or direct line manager-led communications, and function-specific communication streams led by functions such as HR or Finance.

General engagement with own workforce

All employees and teams at adidas are free to discuss any matter or material impacts and take steps to address areas of concern through relevant communication channels. We have established the following engagement methods to gain perspectives from employees on issues important to them while fostering an environment of respect – all measures are managed by the HR function, and ultimately the Executive Board Member Global Human Resources, People and Culture's responsibility, except for townhall meetings, which are led by the CEO. The resources associated with the different engagement activities are not centrally measured.

General engagement with own workforce

Channel	Description	Participants	Frequency
HR Business Partners (HRBPs)	HRBPs are key global and local contacts for employees, ensuring open and accessible communication. They engage directly with employees to understand their perspectives and address their concerns, providing insights that guide adidas' decisions. Through regular interactions and engagement initiatives, HRBPs implement local actions based on feedback, integrating employee views into strategy and fostering trust and collaboration.	All employees (engagement at local level)	Ongoing
Candidate Experience survey	This survey evaluates the global candidate experience at adidas by gathering feedback on applications, interviews, job offers, and contract signing. The results are analyzed centrally by the People Intelligence team and on a market level by the Talent Acquisition teams. They are also available to recruiters to develop individually based on received feedback.	All candidates who participated in interviews at adidas	Ongoing
Hiring Manager Experience survey	Similar to candidate experience, this survey gathers feedback around the hiring process, but from the perspective of hiring managers, gathering insights into collaboration with Talent Acquisition as well as quality of candidates.	All hiring managers at adidas	Ongoing
Exit survey	The exit survey captures key reasons for leaving, future plans and intention to return, helping adidas improve retention. Insights are shared quarterly with HR Senior Leadership Team and local actions are driven by HRBPs.	Corporate employees	Ongoing

Employee Listening Survey (ELS)	The ELS is a team-centered survey that captures feedback on topics managers and teams can directly influence. Local line managers are responsible for taking action based on the results, supported by tailored action guides, training, and resources. Survey outcomes and resulting action plans are shared with the Board. To measure effectiveness, we analyze individual action plans to identify trends and develop targeted support for high-impact areas. We also conduct regular interviews with HR and other business functions to uncover gaps and continuously improve our listening strategy.	All employees	Annually
Townhall meetings	Townhall meetings share global business updates and employee-related news. Employees can submit questions to leadership in person or anonymously online, with responses given during or after the event. All adidas employees are invited via email. Those in distribution centers without email access receive a livestream link. Employee input informs decisions on communication, policies, priorities, and leadership actions.	adidas Executive Board and all adidas employees, excluding externals	Quarterly
Employee Resource Groups (ERG)	ERGs are open to all employees and are voluntarily led global and local networks that give employees of various backgrounds and perspectives a community of belonging and togetherness. With over 30 ERGs worldwide, along with diversity ambassador teams that focus on dimensions of diversity such as ethnicity, gender, women in tech, LGBTQIA+, experienced generation, faith, disability, and caregivers at work. The responsible HR team supports and collaborates with ERGs and gathers feedback through quarterly touchpoints, global activations, and market-led conversations.	All employees - participation is voluntary	Ongoing
Works Council	adidas maintains works councils at the local, national, and European levels to ensure regular employee engagement. Employee concerns are communicated through these councils and help shape organizational decisions. Structured collaboration is supported by the Labor Relations team and HR Employee Relations team, which serve as the legal interface, advising on co-determination rights and managing company agreements. The teams also work to strengthen processes and relationships with all works councils.	All employees have the opportunity to contact the Works Council regarding any concerns or suggestions.	Ongoing In Germany, an all-employee meeting takes place annually.

Responsibility for engagement with own employees through workers representatives

In Germany, adidas' most senior roles with operational responsibility for employee engagement and ensuring that results inform our strategy are the Executive Board Member Global Human Resources, People and Culture, HR Employee Relations, and the Head of Labor Relations.

In the other locations, workers' representation is locally structured. The most senior role of the responsibilities differs depending on the size of the location in terms of employee count.

Responsibility for direct inclusion of employee representatives in management bodies

— **Supervisory Board**: Employee, Works Council, and union representatives are part of our Supervisory Board.

— **Executive Board**: The Executive Board Member Global Human Resources, People and Culture, representing employees and their needs.

S1-3 – Processes to remediate negative impacts and channels for own workers to raise concerns

At adidas, we are deeply committed to supporting our workforce and addressing any potential adverse impacts they may encounter. We maintain a robust framework of communication channels that empower employees to voice concerns safely and confidentially, reinforcing our dedication to transparency, accountability, and continuous improvement.

Channels for own workforce to raise concerns

adidas provides various channels through which its employees can raise concerns. These mechanisms were established by adidas itself (unless stated otherwise) and are available to all employees, regardless of their position or location. These reporting channels are made known to the employees during onboarding and are accessible on the company SharePoint and our corporate website.

Concerns related to material impacts may be raised through several internal resources, including an employee's Line Manager, a HRBP, the HR Employee Relations team, or the Compliance team. In regions where legally required, Works Councils are also available to support employees. Furthermore, the Fair Play hotline and Fair Play webform offer a secure and anonymous option for reporting concerns.

Fair Play hotline and webform

The most formal way to raise a concern is through the Fair Play hotline or webform. They are provided by a third-party service provider who communicates directly with the reporter. They allow employees to raise concerns under their own name, anonymously, or semi-anonymously (their name is known to the service provider but not adidas). All concerns relating to harassment, discrimination, and retaliation are reviewed by the HR Employee Relations team to determine the most appropriate form of remediation. Within 48 hours of receiving the concern, HR Employee Relations contacts the reporter to schedule an intake call. During this call, the concerns are discussed with the reporter, and the appropriate form of conflict resolution, such as an investigation, is agreed upon.

adidas assesses the effectiveness of the Fair Play hotline and webform through usage metrics such as frequency of use, types of reports, and resolution times. Each year, adidas publishes statistics on Fair Play to help ensure our workforce is aware of and trusts these processes as a way to raise concerns and have them addressed. It also gives employees confidence that if they speak up, it will always be taken seriously and followed up with action.

We also have a non-retaliation policy to protect individuals who raise concerns from retaliation. Our Fair Play Code of Conduct clearly states that any adidas employee who reports a reasonable suspicion of an actual or potential policy violation is protected against any form of retaliation, regardless of whether their suspicion turns out to be valid. Conversely, any employee who retaliates or attempts to retaliate against a fellow employee who has reported or intends to report a suspected violation, including by pressuring or threatening them not to report, may face disciplinary action. Any employee found to have made a report with malicious intent may also be subject to discipline.

General approach for providing or contributing to remedy

We leverage various tools to resolve negative impacts on our workforce, such as concerns of harassment, discrimination, and retaliation. These tools, such as mediation, intervention, and formal investigation, are applied thoughtfully to ensure fair and effective outcomes. All HRBPs globally receive comprehensive training on the use of conflict resolution tools. It is the responsibility of the HR Employee Relations team and the relevant HRBP to ensure that any issues are addressed and resolved effectively, utilizing the most appropriate tools and approaches for each situation.

Once a concern has been reported via the Fair Play platform, it is documented and managed within the Case Management System (CMS). The CMS serves as a centralized repository for all relevant case documentation, enabling consistent tracking and oversight. By monitoring individual cases, adidas is able to identify patterns and proactively address emerging issues. Introduced in December 2023, the CMS began supporting data collection in 2024 to further enhance reporting capabilities and generate actionable insights.

CMS investigation process

— **Intake**: After an allegation was reported, an investigation plan is developed to define the scope and outline the steps of the investigation. As part of the initial phase, an intake interview is conducted with the reporter to gather relevant information and better understand the nature of the concern.

— **Investigation**

— **Outcome:** The investigation report includes a conclusion as to whether the allegation has been confirmed or not, along with a clear recommendation for measures. These measures are then implemented by the business area.

— **Documentation**

— **Aftercare:** As part of the resolution process, the reporter and relevant witnesses are contacted, if required, to confirm the outcome of the investigation. The extent of information shared regarding the measures taken is determined by factors such as the nature of the case, the concerns raised, the actions implemented, and the applicable legal framework.

As mentioned earlier, our approach to remedy negative impacts also involves collaboration with ERGs and works councils. This includes regular engagement through dedicated meetings to ensure employee concerns are heard, understood, and appropriately addressed. In Germany, employee complaint cases brought to the knowledge of the Central Works Council are picked up through the HR Relations Lead, HR Employee Relations, or a respective HRBP for further processing. For specific topics, such as performance appraisal escalation processes or off-campus working, company agreements detail the conflict resolution process and procedures. We strive to continuously improve these processes by reviewing our policies and procedures regularly, which also includes incorporating feedback from employees and parties who were negatively impacted.

S1-4 – Taking action on material impacts and approaches to managing material risks and opportunities related to own workforce

adidas is deeply committed to managing the material impacts, risks, and opportunities associated with our workforce and invests significant time and resources into these efforts. These efforts include having dedicated functional Centers of Excellence and a global HRBP network across all locations to support execution and implementation of actions. Functional HR teams who directly contribute to development of actions include HR Compensation and HR Rewards, HR Labor and Employee Relations, HR Transformation & Solutions, HSEE (Health & Safety, Environment, and Energy), and HR Talent with support of other functions.

Working conditions

Secure employment

adidas promotes secure employment by maintaining a low proportion of temporary contracts and prioritizing internal mobility for employees impacted by organizational changes. In cases of business transformation, reorganization, or other structural changes, we strive to safeguard employment by offering affected employees alternative internal opportunities that align with their existing or transferable skill sets.

Working time

adidas provides flexible working models and fosters leadership capabilities that support work-life integration, and family-oriented services. adidas offers both part-time and full-time employment contracts, with working hour adjustments managed in line with local legislation. For parental leave, we provide flexible re-entry programs and unpaid bonding leave, allowing new parents to take up to six months off and

gradually reintegrate into work life. In addition to statutory leave entitlements - such as annual, maternity, paternity, and parental leave - we offer further time-off options, including sabbaticals and leave to care for close family members. To support employees during key life events, we also provide additional leave for occasions like marriage, caregiving, and relocation, tailored to local laws and country-specific needs.

Our commitment to flexibility extends to work locations through our Remote Working Concept and Working from Elsewhere Policy. The Remote Working Concept enables corporate employees to work from home for a portion of their time – defined individually by each market – while giving them the flexibility to manage their daily schedules independently. Additionally, the Working from Elsewhere Policy enables corporate employees to work from locations outside their designated office for up to ten days per year.

To ensure continuous improvement and accountability at adidas, we regularly review key people metrics such as employee fluctuation, temporary vs. permanent contracts and full-time vs. part-time work ratios, and others. These indicators are reviewed by senior management and supplemented by targeted analyses to support strategic decision-making.

Adequate wages and compensation approach

Our global rewards compensation programs are designed to ensure all employees are paid competitively for the role they perform. Our compensation management approach comprises various elements that help ensure the following:

— all employees are assigned a job role using a global job architecture based on their job profile, ensuring we can compare jobs on a like-for-like basis

— a salary range, which is assigned to each job role, is created using external market data

— compensation of employees is based on their job role and the associated salary range, independent of gender or any other diversity criteria

— upon hiring or in cases of position changes – such as lateral moves, promotions, or demotions – individual salaries are determined based on the salary ranges for the respective job roles, taking into account the employee's relevant experience for the job role

— these criteria are also applied during annual salary reviews to ensure consistency and fairness.

We track the impact of our compensation management approach, especially salary reviews, through management reporting tools. They monitor employee positioning within salary ranges, budget allocations, and, if applicable, investments needed for pay equity, while including an annual gender pay snapshot. We work closely with relevant legal/employee representative bodies to analyze overall pay positioning.

Freedom of association, the existence of Works Council and the information, consultation and participation rights of workers

adidas is committed to fostering open and constructive dialogue with employees and their representatives, fully respecting their right to freedom of association and to join representative organizations. Where recognized, these organizations may engage in collective bargaining. In Germany, employee participation is further supported through established works councils and formalized rights to information, consultation, and involvement in decision-making processes. Additionally, consultation with works councils is integrated into our decision-making processes, helping identify and shape required actions.

Collective bargaining

We are committed to an open and constructive dialogue with all people employed by adidas and, where applicable, with their representatives. Our employees are free to join organizations of their choice that represent them consistent with local organizing laws. These organizations may, if recognized as the

appropriate agent, engage in collective bargaining according to applicable law. Employees who act as representatives are neither disadvantaged nor favored in any way. In locations where employees have decided not to appoint representatives, we promote direct and open communication between employees and management.

Work-life balance

For parental leave and re-entry, we have programs in place to provide employees with advice early on and options for their return to work, taking into consideration flexible working hours and work locations. In Germany, employees returning from parental leave are entitled to reinstatement in their original positions, which are covered on a temporary basis during their absence. If the original position has ceased to exist, employees are guaranteed placement in an equivalent role. In the US, in addition to the standard paid parental leave for birth-giving mothers (up to 8 weeks at 70% of salary), adidas also offers 14 weeks of paid parental leave at 100% of salary for both birth-giving and non-birth giving parents. Additionally, our parental leave policy allows parents to take up to six months away from work within the first 12 months after their child's birth or placement. In Latin America, adidas offers an extended parental leave policy, granting mothers 24 weeks of paid leave and fathers or partners 20 paid days, with additional flexibility for mothers to reduce working hours for one month before and after maternity leave. This benefit applies to same-sex couples as well as trans and non-binary people, after signing a declaration stating that they are the main caregiver of the baby. This principle also benefits heterosexual employees that become parents through adoption processes.

Health and Safety

At adidas, we recognize physical, mental, and social well-being as essential to sustainable performance. Our holistic approach focuses on prevention, education, and support, offering inclusive programs tailored to diverse employee needs.

— To prevent risks of work-related injuries, adidas carries out risk assessments across all locations – offices, DCs, own retail stores – every two years or following changes or incidents, including pre-opening checks for buildings and machinery.

— Health and safety trainings are regularly conducted and cover topics such as safe work practices, hazard identification, incident response and general well-being. Our mental health initiatives, include psychosocial risk assessments and a Mental Health Compass – a centralized resource which contains curated content, workshops, and tools for self-care, team support, and leadership awareness.

— Regarding the remediation of existing actual health and safety impacts, all corporate and retail accidents that occur are investigated and findings are shared globally with relevant stakeholders. Additionally, solution recommendations are provided that are in accordance with the adidas H&S Manual to prevent accidents' reoccurrence.

— adidas provides coverage for work-related injuries and illnesses, which may include workers' compensation and other medical support. These offerings are available globally, regionally, or locally, and may be statutory or supplemental, depending on market-specific needs and regulations.

— To support a healthy lifestyle and mental well-being, adidas offers a broad range of sports activities, events, and facilities, including corporate gyms at many global locations. Office buildings are equipped with lockers and showers to help employees integrate exercise into their day. In response to hybrid work needs, we provide both local and virtual programs that promote teamwork and wellness, such as hybrid sports classes, medical and psychosocial consultations, digital disconnection tools, and sessions on well-being.

Equal treatment and opportunities for all

Gender equality and equal pay for work of equal value

Our ambition is to identify and monitor pay gaps, and to take concrete measures to close them. We have been analyzing our gender and equity pay gap data on a regular basis for several years.

Our global rewards compensation programs are gender agnostic and unbiased. This has a positive impact on gender pay equity at adidas.

In addition to reporting remuneration metrics in accordance with ESRS, we are preparing for the implementation of the EU Pay Transparency Directive. We will implement it according to country legislation, invest in advanced reporting tools, and align our own internal policies and procedures.

To prepare for the upcoming national legislation on the EU Pay Transparency Directive, we are planning or have already established a number of measures:

— Europe-wide HR working group to monitor national legislations and share best practices
— Participation in external networks
— Implementation of an internal reporting tool to measure metrics set out by the Directive
— Assessment of internal data and structures for readiness
— Where necessary, adaptation of talent acquisition processes and procedures

Training and skills development

At adidas, we offer a variety of training and skill development programs, combining formal and informal learning opportunities. Our wide range of ongoing formal learning initiatives is designed to support the continuous growth of our employees and to strengthen our leadership pipeline.

— **Leadership development experiences:** Interactive learning sessions designed for every level of management across all markets and functions. They include our People Leader Essentials (PLE), Manager Development Experience (MDE), and Director Development Experience (DDE).

— **adidas Functional Academies:** To address evolving business needs and avoid skill gaps, adidas offers targeted functional learning, which content is continuously updated in collaboration with internal and external experts to reflect market trends and employee needs. adidas ensures that its employees are equipped to perform and adapt in a fast-changing market through regularly reviewed and updated learning programs.

— **Global High Potential (GHIPO) Program:** The GHIPO program gives us the opportunity to identify and develop global leaders who are ready to step up their leadership responsibilities. It aims to strengthen the participants' business acumen skills, build peer relationships, and provide cross-functional and cross-cultural exposure. Through continuous investment in the growth and development of GHIPO participants, adidas strengthens its leadership succession pipelines across global and local levels. This investment in talent development helps employees enhance their performance and career growth, leading to increased loyalty and retention.

— **adidas 360°:** This tool involves soliciting feedback from multiple sources, including managers, direct reports, and other stakeholders, to gauge how senior leadership's behavior is perceived. It provides valuable and critical feedback, driving both professional and organizational growth.

Our informal initiatives include a global mentoring program and networking through the adidas Virtual Café. These learning offerings enable employees to connect with others with similar interests and development

goals. When participating in our informal learning offerings, over 90% of employees said it made them feel more connected to the people and culture at adidas and would recommend the program to others.

Our global performance development approach, #MYBEST, continued to be a key enabler of our high-performance culture. In 2025, we focused on enhancing our quality performance conversations, enabling our people to set clear performance expectations, engage in continuous feedback, and provide holistic, fact-based, and inclusive assessments.

Employee learning opportunities are aligned with adidas' strategic objectives and cultural mindset, as identified through learning needs assessments conducted by academies and senior business stakeholders. We also use employee surveys to capture relevant insights. Every year, we conduct interviews and present a summary of findings to senior stakeholders to prioritize additions to our learning portfolio for the year.

Employment and inclusion of persons with disabilities

At adidas, we are committed to fostering an inclusive work environment where every individual is treated with dignity and respect. We actively work to prevent discrimination of any kind, whether based on gender, socio-economic background, beliefs, or other personal characteristics. To address this, adidas has introduced education and upskilling sessions for leaders, equipping them with inclusive leadership competencies. 'Leading with Inclusion' program's impact since beginning of 2025 is reflected in the following results:

— over 160 (2024: 160) executives (S level) successfully completing the Inclusion for Transformation workshops

— over 600 (2024: 300) leaders of our middle management (M1 and M2 level) have also participated in and completed the Managing Inclusion workshops

— adidas introduced self-service options to ensure all employees are aware of the basics of inclusion and belonging through the availability of various learning resources and tools.

Our Executive Council for Inclusion and Belonging comprises a diverse group including all members of the Executive Board and leaders from each market, and it has continued its work since 2024 to increase accountability for global initiatives, address emerging issues impacting our brand, and drive the execution of our inclusion and belonging strategy. Within their individual functions and markets, Council members have committed to providing solutions to inclusion and belonging challenges and identifying and removing cross-functional and market barriers.

adidas has identified the risks of not addressing diversity, which include losing competitiveness in the job market. We are continuing a disability hiring project led by HR Talent that will address these risks. It will allow us to evaluate options, collect and monitor disability related diversity data globally and locally to understand representation, increase disabled representation in a legally compliant manner, and ensure workspaces are inclusive to disabled employees. We consider external benchmarks and developments when setting goals and defining the relevant measures. In addition to complying with local legislation, this project will help create a greater sense of belonging among employees.

Measures against violence and harassment in the workplace

adidas leverages various tools to resolve negative impacts on its workforce relating to violence, harassment, discrimination, and retaliation. These tools include coaching, mediation, intervention, and investigation. Globally, all HRBPs are trained in using these tools on an annual basis. The HR Employee Relations team and relevant HRBPs are responsible for ensuring that any potential situation is remediated using the most appropriate conflict resolution tool. More information is provided in this chapter:

▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS

To uphold a safe and inclusive workplace, discrimination and harassment cases are followed up with impacted individuals and tracked. This tracking enables a proactive analysis to help us identify trends and areas for improvement.

Diversity

adidas is committed to fostering a culture of inclusion and belonging to ensure we continually attract, develop, and retain top talents from our diverse markets. Through structured initiatives such as targeted leadership programs, recruiting efforts, and employee-led groups, we create equal opportunities for all employees to thrive.

— 'ElevateHer' is a one-year accelerated journey to develop and advocate for the advancement of talented and high-potential women. It offers sponsorship, exposure and connection opportunities, and practical learnings to amplify skillsets and confidence. We launched the program in October 2024 across all our markets and paired each of the 82 participants with a senior leader. ElevateHer opens doors to new opportunities, and advocates for participants' growth within our organization. The program tracks the participants' retention and development rates (both vertical and horizontal) compared to the rest of the organization. The first round of the program concluded in October 2025, marking a successful pilot in which 20% of the participants experienced growth or career advancement. Based on this strong outcome, the program will continue in 2026.

— We continued supporting and expanding our ERGs throughout the company by developing a new framework and operating model. ERGs are employee-led networks that give employees with differing backgrounds and perspectives communities of belonging and togetherness. We have 34 ERGs worldwide, as well as diversity ambassador teams focused on diversity dimensions such as ethnicity, gender, LGBTQIA+, experienced generation, faith, disability, and mental health. Participation in these groups is voluntary and open to all employees.

— Since 2022, our HR team has been committed to delivering three 'cultural moments' globally, in addition to any relevant local moments. We activate against the following global moments:

  - March – International Women's History Month
  - June – Pride
  - October – Global Week of Inclusion

  Each of these cultural moments is structured around three consistent components that shape our global storytelling and employee engagement approach: inform (updates on progress and new initiatives), inspire (panel talks, videos, articles, and immersive experiences), and educate (inclusion and belonging training materials for employees).

— Local moments vary by market and by year and include Lunar New Year, Asian American and Pacific Islander Heritage Month, Black History Month (in the United Kingdom, Netherlands, and US), International Day against Homophobia and Transphobia, Juneteenth, Latin Afro-American, Afro-Caribbean, and Diaspora Women's Day, Amsterdam Pride, Hispanic Heritage Month, World Mental Health Day, Race Day, Transgender Day of Remembrance, and International Day of People with Disabilities. In addition, we acknowledge other cultural moments on an ad-hoc basis through a channel on our internal social media tool.

adidas uses HR management reports to track progress monthly. This data provides insights into the achievement of targets and identifies any emerging issues, such as shifts in female senior leadership representation. We also conduct comprehensive equal pay reviews to monitor gender pay equity.

Processes through which adidas identifies what action is needed and tracks the effectiveness of the actions

adidas regularly reviews key HR KPIs, such as recruitment experience, engagement, women in leadership, and training participation, to guide strategic actions. Senior management evaluates performance trends and initiates targeted measures when needed.

The ELS survey provides team-level feedback on areas managers can directly influence. Results guide local action planning, supported by tailored resources. By analyzing action plans and conducting interviews, we identify trends and gaps, enabling accountability, targeted support, and continuous improvement. With the current change in the company's operating model, the approach is being redesigned to enable markets to take more tangible actions based on the ELS result. The new approach allows for further flexibility and localization of the survey, insights, and actions. The new approach was piloted in two markets in 2025 to gather additional feedback and tailor it further to local needs before launching it globally to all regions later in 2026.

Enterprise-wide risk management procedures further support decision-making through semi-annual assessments of risks and opportunities across areas like health and safety, diversity, skills development, and inclusion. When current measures fall short, additional actions are implemented. Review outcomes are shared with senior leadership and inform our materiality analysis for the Sustainability Statement, reinforcing adidas' commitment to transparency, data-driven decisions, and continuous progress.

▶ SEE RISK AND OPPORTUNITY REPORT

How adidas ensures that its own practices do not cause or contribute to material negative impacts on its own workforce

The Global Privacy Management Policy states our privacy ambition: adidas is committed to complying with all relevant privacy laws and regulations and will actively work to identify and close privacy gaps.

The following internationally recognized privacy principles are part of our Global Privacy Framework and shall be applied in the light of applicable local privacy law and regulations:

— **Accountability:** The Global Privacy Framework ensures alignment between business strategy and privacy principles and records how we implement the Executive Board's privacy commitment.

— **Lawfulness and fairness:** We are committed to lawful, fair, and transparent processing that ensures individual rights can be effectively exercised.

— **Purpose specification and limitation:** We will ensure our data collection and use is limited to appropriate and defined purposes.

— **Data minimization:** Personal information we collect will be limited to meet the purpose of the collection and we will consider pseudonymization, if and where appropriate.

— **Use and disclosure:** We will establish a culture and practice of respecting privacy in the way we use and share personal information, both within adidas and with third parties.

— **Security:** We will implement appropriate technical and organizational safeguards to assure the integrity, availability, and confidentiality of personal information we store and process.

— **Data management:** Our data management capabilities will ensure adequate data quality, avoid excessive data retention, and enable privacy principles from a technical perspective.

Any activity that could or does involve the processing of personal information must complete a Privacy Impact Assessment to identify significant privacy risks in high-risk processing activities, define measures to mitigate these risks, identify further privacy requirements imposed by local laws or regulations, and convert risk-mitigating measures and further requirements or opportunities into comprehensive implementation criteria to be signed-off and implemented by the Privacy Action Owner. The Global Privacy Officer is responsible for taking action in the event of a privacy breach.

Metrics and targets

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Working conditions

Health and safety

The development of our workforce health and safety targets is guided by our H&S Manual, ISO 45001 (Occupational H&S Management System) certification, and the ESRS. The certification of ISO 45001 is issued by the German accreditation office DAkkS (Deutsche Akkreditierungsstelle), and the compliance with the standard is audited by an external auditor. The 2025 targets were developed in cross-functional and global working groups involving multiple stakeholders. Additional KPIs were formulated within the health and safety network across all markets and global HSEE team and were agreed upon and approved. Every location tracks its own performance. We monitor performance against current data and continuously enhance our insights through the HSEE operations data strategy. 2026 marks the conclusion of our 2025 targets and the launch of our next five-year objectives with targets for 2030.

▶ SEE ESRS S1-14 – HEALTH AND SAFETY METRICS

Equal treatment and opportunities for all

Women in leadership

adidas is committed to increasing female representation in leadership positions and furthering equal employment opportunities. We have established a policy and set measurable, aspirational targets to help us realize our ambitions for gender balance. We are committed to increasing the global share of women in leadership positions (Director level and above) to achieve a gender balance of 50% by 2033, from a 2023 baseline of 39.6%.

▶ SEE ESRS S1-9 – DIVERSITY METRICS

Data on women in leadership is tracked monthly and on a quarterly basis to understand pipeline issues. Progress toward our women in leadership ambition is shared annually with all employees during Women's History Month and reviewed quarterly to ensure ongoing monitoring of opportunities and challenges. As part of this ongoing transparency and engagement, the latest results were also shared with all employees in March 2025.

Equal pay

adidas has set a global target of maintaining the equal pay gap level below 5%, which is supported by our Rewards Strategy. Based on our current calculation methodology, our current overall equal pay gap is below 1%, and we are committed to reducing it further. This target is tracked continuously. Equal pay gap is an aggregated like-for-like comparison which considers employees in the same country and on the same grade.

Maintaining close collaboration between involved functions (HR Rewards, HR Talent, and HR Business Partners) as well as investing in a specific internal reporting tool will continue to help us expand our

methods and analyses toward more granular population data, calculate investment budgets, and invest in salary adjustments to close existing gaps, where needed.

▶ SEE ESRS S1-16 – REMUNERATION METRICS

S1-6 – Characteristics of the undertaking's employees

The total number of employees, reported by headcount and broken down by gender, can be found in the table below.

S1-6 – Employees by headcount by gender

	Headcount	
	2025	2024
Gender		
Male	31,302	30,134
Female	33,586	31,880
Other	23	—
Not disclosed	27	21
Total	**64,938**	**62,035**

The total number of employees, reported by headcount and broken down by gender, and limited to countries where adidas has 50 or more employees, which represent at least 10% of the total global workforce, can be found in the table below.

S1-6 – Employees by headcount in specific countries

	Female		Male		Other		Not disclosed	
	2025	2024	2025	2024	2025	2024	2025	2024
Country								
China	5,534	5,311	2,340	2,355	—	—	—	—
Germany	4,411	4,472	3,948	3,947	2	—	3	4
United States of America	5,029	4,775	5,645	5,529	—	—	23	8

The tables below present the total number of employees by headcount, along with a breakdown by contract type. Additional details on gender and country distribution are also provided.

S1-6 – Information on employees by contract type, broken down by gender

	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees by headcount										
Number of permanent employees	31,373	30,106	29,139	28,429	22	—	25	20	60,559	58,555
Number of temporary employees	2,213	1,774	2,163	1,705	1	—	2	1	4,379	3,480
Number of full-time employees	24,509	23,172	23,950	22,863	21	—	7	10	48,487	46,045
Number of part-time employees	9,077	8,708	7,352	7,271	2	—	20	11	16,451	15,990
Number of non-guaranteed hours employees	1,958	2,591	2,212	3,160	3	—	7	3	4,180	5,754
Total	**33,586**	**31,880**	**31,302**	**30,134**	**23**	**—**	**27**	**21**	**64,938**	**62,035**

S1-6 – Information on employees by contract type, broken down by region

	Emerging Markets		Europe		Greater China		Japan/ South Korea		Latin America		North America		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees by headcount														
Number of permanent employees	12,128	10,855	17,445	17,402	8,993	8,713	3,931	3,906	6,708	5,985	11,354	11,694	60,559	58,555
Number of temporary employees	1,291	1,412	1,371	1,068	5	5	465	330	334	346	913	319	4,379	3,480
Number of full-time employees	11,239	10,251	13,230	13,420	8,996	8,690	2,741	2,640	6,105	5,023	6,176	6,021	48,487	46,045
Number of part-time employees	2,180	2,016	5,586	5,050	2	28	1,655	1,596	937	1,308	6,091	5,992	16,451	15,990
Number of non-guaranteed hours employees	604	778	27	223	—	2	—	—	—	—	3,549	4,751	4,180	5,754
Total	**13,419**	**12,267**	**18,816**	**18,470**	**8,998**	**8,718**	**4,396**	**4,236**	**7,042**	**6,331**	**12,267**	**12,013**	**64,938**	**62,035**

The numbers are reported in headcount and extracted from the central system. They reflect the actual headcount as of December 31, 2025.

Our part-time employment contracts often include employees who, due to different circumstances, require flexibility around their working time. Part-time work is an effective way to balance professional and family responsibilities as outlined in our Job Security Company Agreement.

▶ SEE ESRS S1-4 – TAKING ACTION ON MATERIAL IMPACTS AND APPROACHES TO MANAGING MATERIAL RISKS AND OPPORTUNITIES RELATED TO OWN WORKFORCE

Employees with non-guaranteed hours are not contractually entitled to a minimum or fixed number of working hours. While they may be expected to remain available for work as needed, the employer is under no obligation to provide consistent scheduling. As shown in the table, this type of employment is not widely practiced at adidas and tends to be more prevalent in specific markets, such as North America and certain emerging regions, due to local employment customs and regulatory frameworks.

During the reporting period, a total of 16,994 (2024: 17,711) employees left adidas, resulting in an employee turnover rate of 27.6% (2024: 30%). This total figure reflects terminations across all four employee groups – Corporate, Distribution Center, Production, and Retail.

S1-6 – Terminations

	2025	2024
Terminations		
Corporate	2,140	2,564
Distribution Center	1,255	1,384
Production	39	59
Retail	13,560	13,704
Total	**16,994**	**17,711**

Data is sourced from the company's global HR system as of December 31 of the respective year. The termination date reflects the final day of the contractual employment relationship. Terminations encompass both voluntary (employee-initiated) and involuntary separations, including those initiated by adidas or resulting from the death of an employee. Turnover is calculated across the reporting period by dividing the total number of terminations over the course of a calendar year by the average headcount for a given calendar year.

The following tables provide an overview of adidas' full- and part-time employees, broken down by gender and region.

S1-6 – Breakdown of adidas full-time employees by gender and region

	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Region										
Emerging Markets	4,792	4,299	6,431	5,951	16	—	—	1	11,239	10,251
Europe	6,400	6,455	6,823	6,958	4	—	3	7	13,230	13,420
Greater China	6,125	5,862	2,871	2,828	—	—	—	—	8,996	8,690
Japan/South Korea	1,238	1,153	1,503	1,487	—	—	—	—	2,741	2,640
Latin America	2,875	2,360	3,229	2,662	1	—	—	1	6,105	5,023
North America	3,079	3,043	3,093	2,977	—	—	4	1	6,176	6,021
Total	**24,509**	**23,172**	**23,950**	**22,863**	**21**	**—**	**7**	**10**	**48,487**	**46,045**

S1-6 – Breakdown of adidas part-time employees by gender and region

	Female		Male		Other		Not disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Region										
Emerging Markets	1,171	1,069	1,009	947	—	—	—	—	2,180	2,016
Europe	3,647	3,401	1,937	1,648	2	—	—	1	5,586	5,050
Greater China	2	19	—	9	—	—	—	—	2	28
Japan/South Korea	1,010	1,002	645	594	—	—	—	—	1,655	1,596
Latin America	500	628	437	678	—	—	—	2	937	1,308
North America	2,747	2,589	3,324	3,395	—	—	20	8	6,091	5,992
Total	**9,077**	**8,708**	**7,352**	**7,271**	**2**	**—**	**20**	**11**	**16,451**	**15,990**

S1-8 – Collective bargaining coverage and social dialogue

The percentage of adidas employees covered by collective bargaining agreements is at 22% (2024: 18%).

Data on collective bargaining coverage is collected at a country level. With a status as of November 30, 2025, the number of employees covered by a collective agreement is provided by the designated HR lead within each respective legal entity. The list of adidas legal entities is sourced from the Supervisory Board Office and cross-referenced with the previous year's data to ensure accuracy and completeness. Oversight of this metric is maintained by an HR team based at headquarters, ensuring global alignment and governance.

Following the ESRS requirement, significant workforce in a specific country is defined as having at least 50 employees by headcount, representing at least 10% of the company's total number of employees.

Collective bargaining agreements in the European Economic Area (EEA)

adidas has a significant number of employees in only one country within the European Economic Area (EEA) - Germany. Accordingly, collective bargaining coverage aligns with the German context and stands at 57.6% (2024: 53.3%). For the remaining employees subject to the German Co-Determination Act, agreements are in place with local works councils to ensure representation and compliance. Collective bargaining rights apply to all professional and management employees (P- and M-level grades), while executive employees (S-level grades) are governed by individual contractual arrangements and internal policies. adidas decided to change its membership in the employers' association HDS/L to a non-tariff-binding membership, effective September 2025. This change had no direct impact on the employee's terms of employment and did not affect the collective bargaining coverage rate.

Outside of Germany, procedures are aligned with respective national legislation, ensuring local compliance and consistency in employee representation.

Collective bargaining agreements outside of the European Economic Area (EEA)

China and the USA are non-EEA countries with a significant adidas workforce. The adidas workforce in these countries is not covered by collective bargaining agreements.

S1-8 – Collective bargaining coverage

	Collective bargaining coverage – Employees EEA		Collective bargaining coverage – Employees non-EEA	
	2025	2024	2025	2024
Coverage rate				
0 – 19%			China, United States of America	China, United States of America
20 – 39%				
40 – 59%	Germany	Germany		
60 – 79%				
80 – 100%				

S1-9 – Diversity metrics

In 2025, we continued to advance our inclusion and belonging efforts. In line with our global ambition to achieve gender balance in leadership positions by December 31, 2033, we further strengthened the pipeline of female talent for senior roles across all markets. As of December 31, 2025, women held 40.7% of leadership positions at Director level and above globally, with 1,377 (2024: 1,441) women and 2,004 (2024: 2,097) men in these positions. The proportion of female executives (S-level leaders) remained stable in 2025 compared to the previous fiscal year, reflecting a sustained commitment to achieving gender balance at the highest levels of leadership.

The following table provides an overview of the distribution of employees by age group, divided into the categories of under 30 years old, 30-50 years old, and over 50 years old:

S1-9 – Distribution of employees by age group

	Percentage	
	2025	2024
Age groups		
<30	43%	42%
30 – 50	51%	51%
>50	6%	6%
Total	**100%**	**100%**

The methodology is the same as described above regarding the characteristics of adidas' workforce.

S1-10 – Adequate wages

All adidas employees are paid an adequate wage.

We mainly used data of our own HR systems and other available data sources.

S1-14 – Health and safety metrics

S1-14 – Health and safety metrics and targets

	2025 target	2025	2024
H&S management system coverage (internally audited and/or 3rd-party certified)			
Corporate and DCs (globally): own employees covered by a H&S management system	100%	100%	96%
Own retail stores (globally): own employees covered by a H&S management system	n.a.	17%	10%
Own retail stores (Europe): own employees covered by a H&S management system	100%	100%	n.a.
Fatalities			
Number of fatalities as result of work-related injuries and work-related ill health	0	0	0
Accidents			
Number and rate of recordable work-related accidents with lost days (LTIR)[1]	<2.0[2]	151; 1.45	143; 1.37
Ill health			
Number of recordable work-related ill health	0	0	0
Days lost			
Number of days lost to work-related accidents, ill health, and fatalities[2]	continuous improvement	2,474	2,366

1 In 2024, data excluded business travel. Work-related accidents for own retail stores were only reported from June 2024.
2 Target applies to LTIR – rate of recordable work-related accidents with lost days.

Explanatory notes on our reported health and safety metrics and targets

H&S Management System coverage:
— Scope: corporate buildings and DCs, including back office retail (globally) ≥4,500 sqm or ≥50 employees; 100% European own retail stores/showrooms

— Calculation for both corporate buildings and DCs (globally) and global/European own retail stores/showrooms: number of employees covered by ISO 45001 H&S management system divided by total number of employees multiplied by 100

Fatalities:
— Scope: all employees and other workers operating at the company's sites

Accidents:
— Scope: all employees

— Calculation for LTIR: number of work-related injuries with one or more lost days (excluding commuting, sport, and event accidents) per month multiplied by 1,000,000 hours divided by total working hours per month – the total rate is the average out of all the rates for twelve months

Ill health:
— Scope: all employees

Days lost:
— Scope: all employees

— Calculation: sum of lost days to work-related accidents (excluding commuting, sport, and event accidents), ill health and fatalities

S1-16 – Remuneration metrics (pay gap and total remuneration)

Pay gap

We are committed to fostering a culture of gender equality and equal pay for equal work. Therefore, we have developed and implemented the various policies, actions, and targets outlined in this report. To measure our progress and ensure we make well-informed decisions, it was first necessary to have clearly defined metrics and an in-depth understanding of the generated data.

Following our commitment to equal pay for equal work, we first calculated the equal pay gap. It provides a like-for-like comparison that considers employees in the same country and on the same grade. Then applying a weighted average to all calculated pay gaps leads to an overall aggregated equal pay gap of below 1.0% (2024: <1.0%). This result highlights our efforts to achieve pay equity and our commitment to addressing any disparities.

However, the pay gap calculation logic as per the ESRS is based on a 'gender pay gap,' expressed as per below formula:

$$\frac{\text{(Average gross hourly pay level of male employees - average gross hourly pay level of female employees)}}{\text{Average gross hourly pay level of male employees}} \times 100$$

The result of this formula reflects the average pay difference between male and female employees, expressed as percentage of the average pay level of male employees across all functions, countries, and grades of our organization. The resulting gender pay gap according to ESRS is 12.4% (2024: 13.3%), mainly influenced by our share of women in leadership positions. If this share grows while we strive to achieve our women in leadership ambition, the gender pay gap according to ESRS is expected to decline, while an equal pay gap may be relatively insensitive to it.

We used our employees' hourly contractual/target Total Direct Compensation (TDC) data as per the key date of December 31, 2025. All active employees were included.

Total remuneration

To calculate the total remuneration metric, the median compensation of all employees was determined based on their annual contractual/target direct compensation (TDC), i.e., contractual base pay, target short term bonus (STI), and target long term bonus (LTI). We used our employees' annual contractual/target TDC data as per December 31, 2025, projected to a full time employment. All active employees were included. All remuneration components (including typical benefits in cash/in kind) were then determined for the person with median remuneration. We then compared the total actual remuneration of this person with the total actual remuneration of the highest paid individual in 2025. Per the Disclosure Requirements of ESRS, the following formula is applied for the annual total remuneration ratio:

$$\frac{\text{Annual total remuneration for the undertaking's highest paid individual}}{\text{Median employee annual total remuneration (excluding the highest - paid individual)}} \times 100$$

Based on the above formula, the annual total remuneration ratio of the highest-paid individual to the median annual total remuneration for all employees is 185 (2024: 177). This ratio is heavily influenced by adidas' global footprint and the high share of retail-related roles within the company. When comparing total actual remuneration to the average among employees in Germany in 2025, as disclosed in our Compensation Report, the ratio is 61 (2024: 63). Due to our workforce in many locations around the world being paid in multiple currencies, the remuneration metrics under S1-16 are also influenced by year-on-year changes in foreign exchange rates.

▶ ADIDAS-GROUP.COM/COMPENSATION

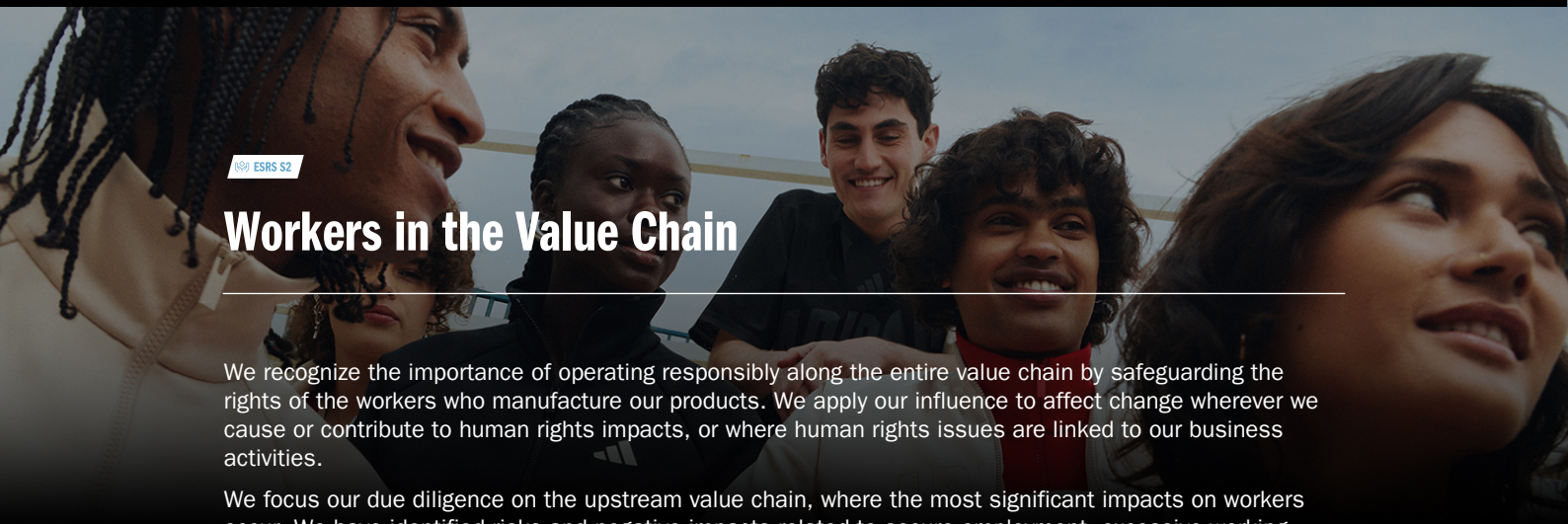
S1-17 – Incidents, complaints, and severe human rights impacts

In total there were 1,415 (2024: 1,246) incidents filed (via the Fair Play channels) relating to our own workforce in 2025. Of these, 1,254 (2024: 1,049) incidents (including harassment and discrimination) relate to working conditions or aspects that fall within the scope of ESRS S1-17.

In 2025, 182 (2024: 145) discrimination-related incidents were recorded, including harassment. This total comprises 108 (2024: 86) reports of harassment and 74 (2024: 59) reports of discrimination. Each case was thoroughly investigated in line with internal protocols. Following these investigations, 26 (2024: 22) harassment cases and 21 (2024: 15) discrimination cases were substantiated within adidas' own operations. Confirmed incidents were addressed in accordance with our Consequence Management Policy, underscoring our commitment to fostering a respectful, inclusive, and safe workplace environment.

In the context of the stated incidents, there were no material fines, penalties, compensation for damages, or sanctions imposed on the company in 2025.

adidas is made aware of any incidents or concerns through our Fair Play channel. This channel can be used by employees and external stakeholders to raise any kind of concerns, including human rights violations. The information on incidents raised, investigations conducted, and their outcomes is maintained in our Case Management System (CMS). The CMS data can be extracted to report on incidents and outcomes. Every year, all market/country legal representatives are asked to confirm any fines, sanctions, or compensations paid in the year under review. This can be compared to CMS data to ensure accuracy and completeness.



ESRS S2

Workers in the Value Chain

We recognize the importance of operating responsibly along the entire value chain by safeguarding the rights of the workers who manufacture our products. We apply our influence to affect change wherever we cause or contribute to human rights impacts, or where human rights issues are linked to our business activities.

We focus our due diligence on the upstream value chain, where the most significant impacts on workers occur. We have identified risks and negative impacts related to secure employment, excessive working hours, fair wages, social dialogue, health and safety, gender equality, equal pay for equal work, violence in the workplace, diversity, and the risk of child and forced labor.

At the same time, we have identified positive impacts and opportunities, particularly for Tier 1 and Tier 2 workers, to strengthen employment stability and security, improve worker-management dialogue, and expand access to training and skills development.

Targets

We have set specific social targets to be achieved by 2025, which aimed at reducing negative material impacts and risks and advancing positive impacts and opportunities for workers in our value chain.

Social impact (S-KPI)[1]

The social impact rating helps us track impacts on workers in the supply chain, including the areas of health and safety, wages, gender equality, and working hours.

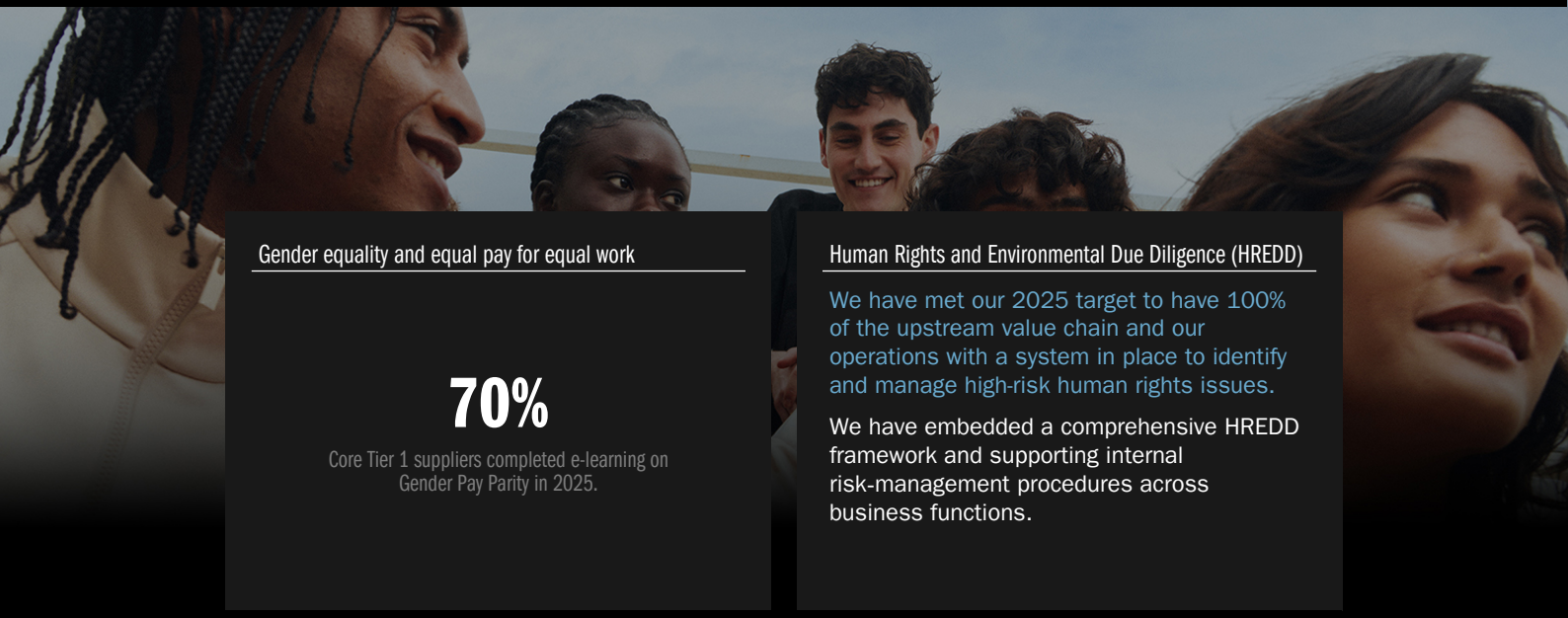
4S rating or better[1]

2025 result	Target 2025
80%	90%

3S rating or better[1]

2025 result	Target 2025
96%	100%

On a scale of 1S to 5S, with 5S being the highest rating.



Gender equality and equal pay for equal work

70%

Core Tier 1 suppliers completed e-learning on Gender Pay Parity in 2025.

Human Rights and Environmental Due Diligence (HREDD)

We have met our 2025 target to have 100% of the upstream value chain and our operations with a system in place to identify and manage high-risk human rights issues.

We have embedded a comprehensive HREDD framework and supporting internal risk-management procedures across business functions.

Key metrics and actions

The program activities and actions we have taken in 2025 have generated positive outcomes for workers in our supply chain, with measurable impacts.

Workers Voice (WOVO) grievances

47,200

human and labor rights complaints were shared by workers through the WOVO platform

99%

of these complaints were successfully closed by the end of 2025

Women leadership program

1,600

Female supervisors from 80 factories in 6 countries (Vietnam, Indonesia, India, Myanmar, China and Cambodia) participated

500

Female supervisors have been promoted to higher positions because of their participation in the program

Gender equality program

51,000

Workers participated in the Gender Equality worker survey in 2025

87

Favorable responses to the Gender Equality worker survey (average score, on a scale of 100)

ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The results of our double materiality assessment concerning material impacts, risks and opportunities for matters related to workers in the value chain have informed and shaped our business model, such as our sourcing activities, our choice and retention of business partners, and our reputation as a responsible company. For example, for sourcing activities, we strengthened partner selection criteria by integrating human rights due diligence requirements and prioritizing suppliers with proven social compliance performance.

The material impacts, risks and opportunities (IROs) we have identified – which are linked only to workers in the upstream value chain – are outlined in the table below. We have identified negative impacts in areas such as secure employment, working hours, fair wages, social dialogue, health and safety, gender equality, equal pay, workplace violence, diversity, child labor, and forced labor. At the same time, we see positive impacts and opportunities – especially for Tier 1 and Tier 2 workers – in areas like secure employment, social dialogue, and training and skills development.

To ensure business resilience, adidas applies structured risk assessments and enforces robust human rights due diligence processes. These actions mitigate disruptions and enhance supplier relationships, while also generating positive impacts for workers and driving long-term resilience. More details are provided here:

▶ SEE ESRS S2-4 – TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS

SBM-3 – Workers in the value chain and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Secure employment	Negative Impact	Actual	n.a.	Upstream	For suppliers with a high dependency on adidas orders, demand volatility and changes in business volume have a potential negative impact on job security (i.e., triggering layoffs) or reduced working hours and take-home pay.
Secure employment	Positive Impact	Actual	n.a.	Upstream	adidas Workplace Standards limit short-term contracting in favor of permanent employment, increasing workers' job security and their access to higher pay and benefits, as well as improving the protection of their legal rights. The manufacturing of footwear and apparel products creates a net benefit by generating employment for workers along the entire value chain.
Working time	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers if overtime exceeds legal norms or international standards, which would mean breaching adidas' Workplace Standards.
Adequate wages	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers in instances where they do not receive at least their legal minimum wages and benefits. The risk of this impact occurring is greatest in countries with weak enforcement of wage and social security regulations, or a lack of effective minimum wage setting mechanisms and social protections.
Social dialogue, freedom of association and collective bargaining	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers if there exist unlawful limits or prohibitions on their right to form or join trade unions, to engage in collective bargaining, or to exercise the right to strike, and/or if they experience trade union membership used as grounds for unjustified discrimination or retaliation.
Social dialogue, freedom of association and collective bargaining	Positive Impact	Actual	n.a.	Upstream	adidas generates positive impacts for workers by taking action to avoid restrictions on workers' freedom of association and collective bargaining rights to which they are legally entitled under the laws of the countries in which they operate. adidas supports social dialogue between governments, employers, and workers' representatives, including trade unions.

SBM-3 – Workers in the value chain and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Health and safety	Negative Impact	Actual	n.a.	Upstream	Workplace accidents or work-related health hazards due to the nature of the work, such as use of machinery or handling chemicals, negatively impact workers. The most severe impacts are those that cause serious injury, illness, or death. Such impacts are more likely in countries where there is weak regulatory enforcement or inadequate monitoring of safety standards.
Working conditions[1]	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding secure employment, working time, adequate wages, social dialogue, freedom of association and collective bargaining, health and safety. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.
Gender equality and equal pay for work of equal value	Negative Impact	Actual	n.a.	Upstream	Negative impacts on workers – particularly female – occur when they do not receive equal pay for work of equal value and/or face other forms of gender discrimination. Negative impacts also occur in cases where suppliers fail to comply with our Workplace Standards that state, e.g., 'workers must not be discriminated against on the basis of their gender, marital status, or because they are pregnant or breastfeeding.'
Training and skills development	Positive Impact	Actual	n.a.	Upstream	adidas provides training and skills development for workers in the supply chain that support positive outcomes such as long-term career progression, job security and stability, which in turn advances local livelihoods. In our supply chain, we have provided training programs to advance skills development as part of our supervisor training and women empowerment initiatives.
Measures against violence in the workplace	Negative Impact	Actual	n.a.	Upstream	In cases where workers face physical, verbal, or mental abuse, which may include cruel, inhumane, or degrading treatment, and/or damage to life or limb, there are material negative impacts. Such impacts are a direct violation of our Workplace Standards.
Measures against violence in the workplace	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding violence in the workplace. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.
Diversity	Negative Impact	Actual	n.a.	Upstream	There are negative impacts on workers' equal opportunities if any form of discrimination in employment occurs, based on protected characteristics like skin color, religion, beliefs, gender identification, or discrimination against vulnerable groups such as migrant workers or female workers.
Child labor	Negative Impact	Potential	Short-term	Upstream	Instances of child labor – while rare – adversely impact children's rights, their access to and outcomes of education, and the best interests of the child. This is a zero-tolerance issue that is prohibited in our own operations and those of our business partners, however, it remains a potential risk in the upstream supply chain, in particular at the raw material level.
Forced labor	Negative Impact	Potential	Short-term	Upstream	Compelling a person to work involuntarily through force or intimidation of any kind, including all forms of slavery or practices akin to slavery, prison labor, indentured labor, or bonded labor, is a zero-tolerance issue and is strictly prohibited in our own operations and those of our business partners. However, it remains a potential risk in the upstream supply chain, in particular at the raw material level.
Child labor and forced labor	Risk	n.a.	Short-term	Upstream	Short-term risks may stem from non-compliance in our supply chain regarding child and forced labor. Such breaches of our Workplace Standards could lead to negative media and a loss of reputation.

1 Working conditions include secure employment, working time, adequate wages, social dialogue, freedom of association, collective bargaining, and health and safety.

Material risks

To address material risks and monitor compliance with our human rights standards, adidas conducts systematic monitoring through:

— Supply chain risk mapping

— Regular social compliance audits

— Worker feedback via surveys and grievance mechanisms

— Responsible purchasing practices

— Ongoing engagement with stakeholders, including civil society organizations, trade unions, and governments

We also perform annual risk assessments in high-risk sourcing countries and monitor suppliers for human rights, labor rights, and environmental compliance. Country and factory profiles guide issue prioritization and determine the frequency of audits and remediation efforts.

Impacts, risks, and opportunities management

S2-1 – Policies related to value chain workers

Our Human Rights Policy outlines our commitment to respecting and promoting human rights across our upstream value chain and own operations. Our Human Rights Policy identifies salient human rights risks, including: labor rights, wages, discrimination and harassment, freedom of association and collective bargaining, child labor, forced labor and human trafficking as well as occupational health and safety.

Our commitment is implemented through our Human Rights and Environmental Due Diligence (HREDD) system and supported by key policies, including the adidas Workplace Standards – our supply chain code of conduct outlining our expectations on human rights and employment standards, including those regarding forced labor, child labor, discrimination, wages, benefits and compensation, working hours, freedom of association and collective bargaining, worker health and safety, and environmental practices.

The policies in the table below are grounded in international standards such as the International Bill of Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work and related conventions, the UN Guiding Principles on Business and Human Rights (UNGPs), and the OECD Guidelines for Multinational Enterprises. While adidas maintains robust human rights due diligence processes and risk mitigation measures, cases of non-respect of international labor standards in the upstream value chain can occur and have occurred during the reporting period. These include: unauthorized subcontracting, fraudulent practices (e.g., double bookkeeping, falsified wage documents), repeated wage and benefit violations, non-compliance with minimum wage and overtime laws, health and safety breaches including a fatality, and instances of gender-based violence. All cases triggered formal remediation and enforcement mechanisms, including 21 warning letters (17 ‘Warning Letters 1’, four ‘Warning Letters 2’) issued to suppliers.

These enforcement actions reflect our commitment to uphold the UNGPs, ILO Declaration, and OECD Guidelines across the supply chain. They also reflect our obligations under the ‘Lieferkettensorgfaltspflichtengesetz (LkSG)’ – the German Supply Chain Due Diligence Act. All remediation efforts are integrated into adidas’ human rights due diligence system to ensure accountability and continuous improvement.

We have established our Human Rights and Environmental Due Diligence (HREDD) framework to guide internal risk assessment and risk management processes in accordance with the international standards mentioned above. This framework is in line with our Human Rights Policy commitments and other regulatory obligations, including the LkSG. For an overview of our Human Rights and Environmental Due Diligence (HREDD) processes, please refer to:

▶ SEE ESRS G1-2 – MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

S2-1 – Policies related to workers in the value chain

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Workplace Standards (HR, WC, ET)	Sets contractually binding requirements applicable for our suppliers, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO Declaration, model code of conduct of the World Federation of the Sporting Goods Industry	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Human Rights Policy (HR, WC, ET)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and Chief Human Rights Officer (CHRO)	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Responsible Sourcing & Purchasing Policy (WC)	Ensures that sourcing and purchasing decisions do not conflict with the fulfillment of the Workplace Standards	Upstream (incl. suppliers, licensees, sub-contractors)	SVP Product Development & Sourcing, VP Social & Environmental Affairs	Better Buying Institute; Fair Labor Association	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Modern Slavery Policy Framework & Implementation Strategy (HR)	Details how to eradicate forced labor and human trafficking from operations and supply chain.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	UNGPs, OECD MNE Guidelines	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Responsible Recruitment Policy (HR, ET, WC)	Outlines processes to eliminate the practice of migrant workers paying recruitment costs and fees to secure their employment.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	The Dhaka Principles for Migration with Dignity	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Guidelines on Employment Standards (HR, ET, WC)	Supporting guidelines to make the Workplace Standards understandable and provide additional guidance for suppliers to manage compliance concerning labor issues and solutions to more complex workplace issues.	Upstream	VP Social & Environmental Affairs	ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Health and Safety Guidelines (WC)	Provides health and safety guidelines to support suppliers to comply with the adidas Workplace Standards.	Upstream	VP Social & Environmental Affairs	ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
WC – Working Conditions
ET – Equal Treatment and Opportunities for All
HR – Human Rights and Other Work-related Rights

S2-2 – Processes for engaging with supply chain workers about impacts

adidas has several processes for engaging with workers in our upstream supply chain – directly and indirectly – about actual and potential material impacts which may affect their health and safety, well-being, or may otherwise adversely impact their fundamental human and labor rights. Such processes ensure that workers can voice concerns and submit complaints or grievances related to material risks and impacts – as well as the full range of human rights and labor rights risks that workers in the upstream value chain may face.

Worker perspectives are integrated into adidas' decision-making through continuous engagement with worker representatives, including civil society and trade unions, real-time feedback from WOVO (Workers' Voice) grievance cases and Worker Pulse surveys, and systematic review by the Social & Environmental Affairs (SEA) team to inform sourcing practices, corrective actions, and strategic priorities.

Regular engagement occurs with supply chain workers through processes such as the WOVO operational grievance mechanism and the Worker Pulse survey – conducted twice per year – as well as through regular engagement with their credible proxies or legitimate representatives via trade unions that are active in the manufacturing facilities.

▶ SEE ESRS S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

We also maintain an active and open dialogue with stakeholders – local and international non-governmental organizations (NGOs), labor rights and human rights advocacy groups, and trade unions, as well as investors, analysts, national and international government agencies, and academics – to better understand and address the most significant impacts on supply chain workers and improve our mitigation efforts. We actively seek stakeholder feedback through our annual stakeholder dialogue.

▶ SEE ESRS S2-4 – TAKING ACTION ON MATERIAL IMPACTS, RISKS AND OPPORTUNITIES RELATED TO WORKERS

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

We are committed to providing for or cooperating in the remediation of adverse impacts, including those which we have caused or contributed to through our business relationships. Whenever negative impacts are identified either through our audit process or through one of the various grievance channels available to workers, we engage directly with our business partners to support them in remediating the issue and addressing root causes within a specified period of time.

Monitoring suppliers' social compliance – identifying negative impacts

adidas outsources most of its production and relies heavily on its upstream supply chain workforce. In 2025, we partnered with 444 Tier 1 manufacturing facilities (2024: 388) and their subcontractors across nearly 40 countries. Our supply chain spans multiple tiers and includes a diverse mix of directly contracted suppliers and indirect partners managed through intermediaries, licensees, and agents.

We monitor social compliance of suppliers with a multi-level monitoring and enforcement system guided by our policies. This approach helps us identify and address risks of harmful working conditions and human rights violations in our upstream value chain, shaping responsible business practices.

Beyond our suppliers, we also require our licensees – independent partners producing adidas products under license – to adopt our internal monitoring approach to ensure compliance across indirect supply chains. Audits are conducted by adidas-approved external monitors to verify the effectiveness of the compliance programs.

Managing supplier compliance – remediating negative impacts

When an audit identifies that a supplier is not compliant with one or more of the criteria in adidas' Workplace Standards, a corrective action plan is developed in alignment with best practice guidance on remediation provided to suppliers. adidas provides or contributes to remedy for material negative impacts on value chain workers through these corrective action plans, and assesses effectiveness via verification in follow-up audits, via worker satisfaction surveys, and through key performance indicators such as case closure rates and recurrence reduction.

If the issues are not sufficiently addressed within the specified time, the supplier will either not be authorized for production if it is a newly proposed supplier or will trigger adidas' enforcement process if it is an existing supplier. When suppliers fail to meet our Workplace Standards, we apply the sanctions and remedies from our Enforcement Guidelines.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES

While we aim to support supplier improvement, unresolved severe or repeated non-compliance may result in contract termination, following our Termination Guideline, which ensures that the actions are undertaken in a transparent and ethical manner. When making such a decision, we always seek to balance the adverse impacts arising from the unresolved non-compliance against the impact of termination on workers, especially where layoffs may occur. Our Guidelines on Redundancy and Layoffs address risks to secure employment in such cases.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES (TERMINATION GUIDELINE) ▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES (REDUNDANCY AND LAYOFFS GUIDELINES)

For complex issues that require additional remedial action – such as child labor – we have developed specific guidelines for strengthening Human Resources (HR) systems at factory level to prevent child labor, ensure protection for juvenile workers, and to respond to violations by providing appropriate remedy, if they occur.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/POLICIES

Channels for workers to raise concerns

adidas provides multiple grievance channels for workers in our supply chain and external third parties to report grievances. These channels include:

— Workers' Voice (WOVO) – a digital operational grievance platform used across all core Tier 1 supplier facilities

— Worker Hotlines – direct communication managed by our Social & Environmental Affairs (SEA) department

— 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.

Additionally, as part of our membership in the Fair Labor Association (FLA), any third party can report violations of workers' rights in adidas facilities via FLA's Third Party Complaint procedure.

▶ FAIRLABOR.ORG

We prohibit any form of retaliation against workers making complaints about their employment conditions or individuals or other third-party organizations raising issues related to human rights violations or environmental damage. This is clearly outlined in our Non-Retaliation clause in the Complaint Procedure for Human Rights and Environmental Impacts.

adidas suppliers are required to have grievance systems in place where workers can freely and – if they choose – anonymously submit any complaints or suggestions they may have. This includes the app-based WOVO platform. In 2025, workers submitted close to 47,200 human and labor rights complaints (2024: around 35,700), with 99% of these complaints resolved by year-end. Top issues included: internal communication (approximately 13,300), benefits (approximately 8,300) and general facilities (approximately 5,800). Worker satisfaction with case resolution rose from 39% in 2019 to nearly 79% in 2025, driven by faster response times – down from 49 hours in 2020 to under 11 hours in 2025.

Through close engagement and cooperation with suppliers, we have increased both awareness of and trust in the grievance mechanisms made available to workers, particularly the WOVO app. This is evident by the consistent, widespread usage of the app within our supply chain. We have progressively improved and expanded the use of this grievance mechanism, and 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. adidas tracks the input received through the WOVO platform using KPIs and dashboard reviews,

case satisfaction ratings, and on-site worker interviews. This enables real-time issue tracking, timely interventions, and insights into widespread, frequent, or systemic labor challenges. It also informs how factory management resolves cases and contributes to the supplier social impact (S-KPI) rating.

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%).

Complementing our grievance channels, we use the Worker Pulse survey to capture workers' perception and awareness of their labor rights. In 2025, 96 facilities in 13 countries participated, with favorable responses rising from 78% in 2020 to nearly 91% in 2025.

Feedback from all of these channels informs our due diligence and helps improve our practices, processes, and remediation efforts.

S2-4 – Taking action on material impacts, risks and opportunities related to workers

Risk mapping and mitigation

We prevent and mitigate actual and potential negative impacts on value chain workers through a robust human rights due diligence process embedded in our Human Rights and Environmental Due Diligence (HREDD) system. This system identifies, prevents, and addresses human and labor rights risks across our operations and supply chain. In 2025, adidas formalized key steps to embed HREDD across our upstream value chain and own operations, with targeted expansion to high-risk non-trade procurement (NTP) and downstream logistics.

Our due diligence process prioritizes high-risk locations, processes, and activities where we can influence outcomes. Country-level risk assessments enable rapid, targeted responses and draw on public databases, direct engagement with stakeholders, including civil society organizations and trade unions, as well as direct worker engagement. At factory-level, risk assessment processes include regular audits, social impact performance (S-KPI) assessments, and factory risk-rating analysis, covering all material human and labor rights risks, as outlined in our Human Rights Policy and Workplace Standards.

Based on risk mapping, materiality assessments, and grievance data, we identified key areas for targeted action to mitigate risks and address negative impacts. All actions disclosed in this section correspond to the material topics identified in our double materiality assessment and apply to workers in our upstream value chain.

All actions taken during the reporting period were led by the Social & Environmental Affairs (SEA) department, a specialist function within Global Legal. SEA is responsible for implementing our HREDD system and ensuring compliance with adidas' Workplace Standards across the supply chain. The team comprises 37 full-time experts located in major sourcing countries, Germany, and the United States. Each member is fully dedicated to due diligence and social and environmental compliance. This global structure provides local expertise and oversight, enabling adidas to identify, mitigate, and remediate material impacts effectively.

We systematically track and assess the effectiveness of all actions and initiatives taken during the reporting period through several mechanisms. This includes: our social impact KPIs program (S-KPI), worker feedback mechanisms including worker surveys and grievance data, and through stakeholder feedback and

engagement – ensuring that intended outcomes for value chain workers are achieved and that we work toward continuous improvement.

Human rights and other work-related rights

Child labor and forced labor

— To address impacts related to child labor in our upstream cotton supply chain, we continued our partnership with the Fair Labor Association (FLA) on the Harvesting the Future (HTF) – Cotton in India initiative, targeting child and forced labor in Madhya Pradesh's cotton sector. In 2025, the project completed surveys of 16 Child Labor Free Zones and 32 villages, trained field staff on child labor and health and safety, developed monitoring tools and wage standards, and strengthened multi-stakeholder engagement and local capacity.

— In 2025, we advanced industry collaboration with the American Apparel & Footwear Association (AAFA), the FLA, and leading brands to strengthen responsible recruitment and address forced labor risks for foreign migrant workers (FMWs) in Taiwan. We engaged independent experts to assess recruitment fees and develop remediation plans, reinforcing our 'no fee' commitment. To monitor progress, we launched worker surveys for direct feedback and transparent tracking. These actions reflect measurable steps toward addressing forced labor risks and ensuring accountability across the Tier 2 supply chain.

Working conditions

Health and Safety

To address material risks related to health and safety, including workplace accidents and unsafe conditions, and to strengthen opportunities for improved occupational health and safety, we implemented the following actions during the reporting period:

— Building on the initiative launched in 2023, we delivered targeted training to enhance machine and electrical safety for compliance and safety teams at Tier 1 factories in Vietnam and Indonesia, and expanded coverage to a selected Tier 1 supplier in Cambodia.

— In India, following the 2024 pilot, we continued third-party assessments on machine and electrical safety for selected local sourcing factories.

— Through the Pakistan Accord on Fire and Building Safety, which we joined in 2023, we supported workplace safety assessments at supplier facilities in Pakistan and related supplier follow-up actions, including supporting remedial actions.

— To further reinforce safety systems and mitigate fire safety risks, we implemented a dedicated program focusing on fire and electrical safety for selected Tier 2 material suppliers – specifically fabric mills, dye houses, leather tanneries, and component manufacturers. Selected Tier 1 suppliers in Vietnam and Indonesia also participated.

Fair compensation

To support our Fair Compensation ambitions, in 2025, we focused on key impact areas, including applying the lever of freedom of association and taking steps to advance our target on gender pay parity. These actions mitigate risks of wage inequality and enhance opportunities for adequate wages in our upstream supply chain. For the details of our actions in these respective areas, see the following sections on freedom of association, gender equality, and equal pay for equal work.

Freedom of association (FOA) and social dialogue

To mitigate risks related to restrictions on freedom of association and to strengthen opportunities for effective social dialogue, we implemented the following actions during the reporting period:

— In Cambodia, we continued our collaboration with the Cambodia Arbitration Council, which provided capacity-building support to factory management and trade union leaders on developing protocols for labor dispute resolution. This addresses the risk of labor conflicts and supports the opportunity for constructive industrial relations. To date, eight of our manufacturing partners have participated in this program and of these, three have reached agreements with their respective trade unions on the implementation of these protocols.

— In Myanmar, we partnered with the Multi-stakeholder Alliance for Decent Employment in the Myanmar Apparel Industry (MADE in Myanmar) program to support one of our manufacturing partners in conducting an open and fair election process for the Workplace Coordination Committee (WCC) to reduce the risk of worker representation gaps and promoting democratic workplace governance.

— In Indonesia, we delivered training sessions on the FOA Protocol for new manufacturing partners, mitigating compliance risks and enabling effective implementation of freedom of association standards within factory operations.

— In El Salvador, we began implementing the Americas Group's FOA Guidance for Employers across five Tier 1 suppliers, supported by a local subject-matter expert. This initiative addresses risks of non-compliance with FOA and industrial relations standards while creating opportunities for stronger partnerships between factories, workers, and unions.

— In Jordan, we engaged with the FLA, International Labour Organization (ILO) and local stakeholders on the terms of the current Collective Bargaining Agreement (CBA), which provides a lesser set of rights to workers in the garment and textile sector compared to other industries and national standards. This engagement aims to mitigate the risk of unequal treatment of foreign migrant workers. In 2026, an independent study will be conducted on wage deductions affecting foreign migrant workers, creating an opportunity for systemic improvement.

Equal treatment and opportunities for all

Gender equality and equal pay for equal work

— **Supplier Gender Equality Program:** We continue to implement the gender equality program for suppliers to address risks of gender discrimination and unequal pay, and to create opportunities for inclusive workplaces. The program includes an annual self-assessment to help suppliers identify gender gaps in their operating practices and procedures as well as an annual gender equality worker survey to evaluate worker sentiment on gender equality, and targeted capacity building. In 2025, more than 51,000 (2024: 46,000) workers participated in the worker survey across 102 factories (2024: 105). Since the program's launch in 2023, worker survey results have improved, from 85 (out of 100) in 2023 to nearly 87 in 2025. These improvements indicate that the program is delivering tangible benefits for workers by strengthening gender equality practices, enhancing workplace inclusivity, and fostering a more equitable working environment.

— **Women Leadership Program:** We continue to provide tailored training under our Women Leadership Program. In 2025, more than 1,600 (2024: 1,600) female supervisors from 80 (2024: 76) factories in Cambodia, China, India, Indonesia, Myanmar, and Vietnam participated in the training. We closely track the progress of workers graduating from this training initiative and, since 2016, approximately 500 female supervisors have been promoted to higher positions because of their participation in the program.

— **Equal Pay for Equal Work:** In 2025, we launched a dedicated Gender Pay Parity e-learning course, commissioned by adidas and another FLA participating company, in collaboration with the Anker Research Institute and improvingworklife. The course was designed to raise awareness, build supplier capacity, and promote equitable compensation practices. It was rolled out across 70% of our core Tier 1 suppliers in 2025, equipping them with tools to assess and address gender-based pay gaps and foster inclusive workplace policies.

▶ ANKERRESEARCHINSTITUTE.ORG ▶ IMPROVINGWORKLIFE.COM

Training and skills development

To mitigate risks of non-compliance and to strengthen opportunities for capacity building and increased worker awareness of labor standards, we continue to provide regular training and capacity building to suppliers and workers employed at our suppliers' facilities, through digital training and targeted in-person sessions on topics including: our Workplace Standards, labor rights, health and safety, and environment.

In 2025, we conducted 78 training sessions (2024: 104) for 2,419 individuals (manufacturing partners, licensees, workers and adidas employees). We expanded our use of the FLA's e-learning materials to include adidas' direct supply chain, which include training courses covering topics such as human rights, forced labor, responsible manufacturing, and worker engagement. We also provided access to the Better Buying Institute's e-learning course on responsible purchasing practices to the appropriate cross-functional teams within adidas and to licensee partners.

Digital training for workers in the supply chain has been successfully rolled out via the WOVO app. The tool assesses workers' awareness of their labor rights (e.g., fire safety, harassment and abuse), available remedies and use of grievance channels. Over 59,500 workers participated in 2025 (2024: 68,800) and averaged a score of approximately 91 out of 100 in the post-test questions, demonstrating high levels of worker awareness of their core rights and available remedies.

Cooperation with stakeholder groups

In addition to taking action to address material impacts, adidas actively engages with stakeholders to inform and strengthen our programs' effectiveness and our overall approach. We work with leading organizations to advance capacity-building efforts on supply chain-related topics. Key engagements in 2025 included:

— **Americas Group (AG):** We continued to actively contribute and play a leading role to this long-standing multi-stakeholder initiative. Key activities included: (1) Reporting to local labor stakeholders on compliance with childcare and severance laws and regulations in El Salvador – systemic and widespread issues we've addressed in partnership with a local women's organization and trade union federation since 2016; (2) Hosting in-country stakeholder engagements with labor partners in El Salvador to strengthen collaboration and transparency; (3) Preparing for the initiative's responsible conclusion in late 2025, with plans to explore new stakeholder collaborations in 2026.

▶ MAQUILASOLIDARITY.ORG

— **Anker Research Institute (ARI):** We continued to support the Anker Research Institute by continuing our corporate sponsorship, partnering on developing and launching the Gender Pay Parity e-learning program, and consulting on technical areas of data collection.

▶ ANKERRESEARCHINSTITUTE.ORG

— **Better Buying Institute:** We continue to participate in the Better Buying Purchasing Practices Index (BBPPI). In 2025, we continued collecting supplier feedback through anonymous Better Buying Institute surveys. Our score was 67 out of 100, consistent with 2024 results. We reviewed the results in

September 2025 with senior Sourcing leaders, identified areas for improvement, and shared these insights with suppliers in October 2025.

— **Better Work:** Over the past three years, we have enrolled 23 Tier 2 material suppliers in Indonesia and Vietnam in the Better Work program, with 95% of participating factories either improving or maintaining their compliance performance. Notably, 52% of these facilities demonstrated significant progress, successfully remediating non-compliance issues related to labor contracts, social insurance, and workplace safety.

— **Fair Labor Association (FLA):** We maintained our accreditation as an industry leader with the Fair Labor Association. In 2025, the FLA also made the evaluation's scores public for the first time in the organization's history via the FLA website for a select number of participating companies, including adidas.

— **International Accord for Health and Safety in the Textile and Garment Industry:** We remain a committed signatory to the International Accord and an active participant in the Pakistan Accord, advancing fire, building, and electrical safety across our supply chain. In 2025, we strengthened capacity-building efforts and supported the delivery of a joint training on enhancing the effectiveness of internal audits for Accord staff and our suppliers in Pakistan.

▶ INTERNATIONALACCORD.ORG

— **MADE in Myanmar**: Through our continued support of the MADE program, we have remained committed to addressing labor risks in Myanmar. In 2025, all our manufacturing partners made significant progress in implementing the remedial actions identified through the MADE program assessments. Additionally, MADE provided targeted support to one of our manufacturing partners in conducting an open and fair election for Workplace Coordination Committee members. The program also shared valuable insights on wage trends, which we used as a reference for wage benchmarking to help align our partners' compensation practices with industry standards. These efforts have contributed to greater wage transparency, fostered constructive dialogue between employers and employees, and strengthened compliance with international labor standards, despite the challenging operating environment. Our engagement with MADE underscores adidas' ongoing commitment to responsible sourcing and human rights due diligence in high-risk regions.

▶ MADEINMYANMAR.EU

Beyond programmatic engagement, adidas hosted an in-person stakeholder dialogue in November 2025 at our headquarters in Herzogenaurach, Germany. The event focused on our current and future strategies to address the important issues of climate change, circularity, and just transition. The feedback and insights gained through this engagement will inform future strategy, policy, and systems development on these topics.

The 2025 stakeholder dialogue builds on the event held in Zurich in November 2024, which focused on human rights due diligence, sports sponsorships, and biodiversity and deforestation topics. We published a report summarizing the stakeholder feedback received in 2024 and key areas which will inform our approach going forward.

▶ ADIDAS-GROUP.COM/SUSTAINABILITY/REPORTS

Metrics and targets

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets and program ambitions

As part of a five-year program cycle, adidas has set program ambitions, achieved by 2025, that collectively address several material impacts, risks, and opportunities (IROs) for workers in our value chain. They aimed to mitigate and, where possible, eliminate risks such as unfair wages, excessive working hours, and health and safety gaps, while advancing positive outcomes like gender equality and equal pay for equal work. Our program ambitions combine social impact KPIs that cover multiple issues with focused goals on positive impact areas such as fair compensation and gender equality. Integrated into our due diligence and supplier programs, these targets have driven measurable progress in protecting and empowering workers, strengthening resilience, and ensuring continuous improvement across the supply chain.

Human Rights and Environmental Due Diligence (HREDD)

Our 2025 target was to achieve full coverage of human rights due diligence systems across our operations and upstream value chain, ensuring there are processes in place to manage high-risk human rights issues. Our HREDD process covers all identified material human rights issues, and the HREDD risk assessment and identification process helps us to prioritize action on those material topics.

We have met our stated 2025 ambition. We embedded a comprehensive HREDD framework and supporting internal risk-management procedures across relevant business functions, in alignment with our stated target. Aligned with the German Supply Chain Due Diligence Act, the system covers our entire upstream value chain and adidas operations, and is supplemented by targeted coverage of prioritized high-risk Non-Trade Procurement (NTP) and selected downstream relationships (e.g., transportation and logistics). Identified high-risk issues, and the measures to address them, are formally reported annually to the Chief Human Rights Officer (CHRO) and the Executive Board.

Social impact (S-KPI)

The S-KPI helps track material impacts on workers – including: health, safety, wages, gender equality, and working hours – and supports continuous improvement while ensuring compliance with the Workplace Standards. The S-KPI is adidas specific and has 15 units of measures ('UOM'). These include compliance with threshold and zero-tolerance issues, completion of remediation plans, accident and absenteeism rates, as well as a range of worker empowerment measures such as resolution and satisfaction rate of workers' grievances, participation rate in worker satisfaction surveys, and the ratio of females in mid-managerial positions. The S-KPI is based on supplier-provided data and, where applicable, validated during social compliance audits (conducted by internal monitors and in some cases by third-party verifiers).

Our 2025 target was to have 90% of our core Tier 1 suppliers reach a minimum rating of 4S and 100% of these suppliers reach a minimum rating of 3S (on a scale of 1S to 5S, with 5S being the highest rating). The thresholds are set as follows: 1S: 0-29%, 2S: 30-59%, 3S: 60-79%, 4S: 80-89%, 5S: 90-100%.

In 2025, 80% of our Tier 1 suppliers achieved a rating of 4S or better (2024: 82%), and 96% reached 3S or better (2024: 95%). While these results fell short of our goals, they reflect robust performance across most of our suppliers. Despite extensive support through advisory sessions and training, some suppliers did not meet expected milestones. Our analysis indicates this is caused by two main factors: (i) delays in completing remediation of threshold issues identified during audits and (ii) limited capability within the

suppliers' compliance teams, particularly among newly onboarded suppliers and those facing high staff turnover.

At the same time, the performance by leading suppliers demonstrates the positive impact of our S-KPI framework. Four out of five Tier 1 suppliers achieved higher levels of social compliance standards, delivering tangible improvements in worker safety and well-being. As we conclude the five-year S-KPI cycle, these achievements reinforce our commitment to driving continuous improvement across the supply chain.

Fair compensation

We are committed to progressive improvement in compensation across our core Tier 1 suppliers. This ambition is intended to advance positive impacts and opportunities for workers in our supply chain and align with our Workplace Standards by providing a decent standard of living that is considered acceptable by society at its current level of economic development.

To support our ambition, we track wage progress using the Fair Labor Association's (FLA) Fair Compensation Wage Data Collection Methodology and Tool. The data collection exercises allow us to compare wages of our in-scope suppliers against the available country wage benchmarks, such as the applicable minimum wage and living wage benchmarks. Wage benchmarks vary by country based on their availability; minimum wage benchmarks are available for all countries, whereas our selected living wage benchmark, the Global Living Wage Coalition (GLWC)/Anker Research Institute (ARI) living wage benchmarks are only available in some of the in-scope countries based on where ARI has completed living wage studies.

To execute our 2025 Fair Compensation strategy, we collected data in three key stages: in 2020 (baseline year); 2023 (mid-point year); and 2025 (final). To fully evaluate progressive improvement in compensation, we require full-year data on working hours and wages. As a result, full-year 2025 data will be analyzed in early 2026. This is in line with previous data collection exercises. More details and information on our 2020 and 2023 wage data collection exercises, including available country wage benchmarks and results, are available on our corporate website.

This final data collection will allow us to compare results across all three years of the program, evaluate how factory wages measure up against benchmarks across our strategic timeline, and evaluate progress and positive outcomes for workers. Our 2025 wage data collection results will be included in the Annual Report 2026 and on the Fair Compensation page on our corporate website.

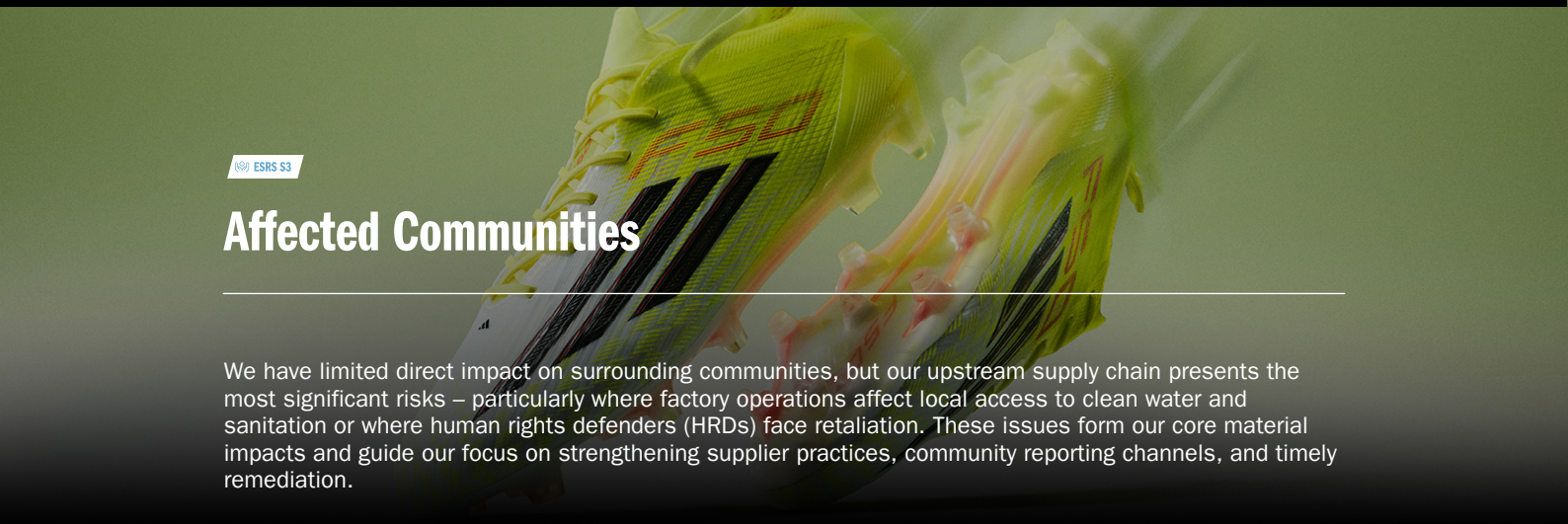
Gender equality and equal pay for equal work

Our ambition, set in 2020, is that every core Tier 1 supplier will have secured gender wage parity for workers by 2025. Since the setting of the target, due to technical challenges and data privacy restrictions in obtaining comprehensive gender-disaggregated wage data from our supplier factories, we have focused our actions in support of this target on capacity building and supporting suppliers' understanding and ability to improve wage management systems that ensure equal pay for equal work.

In 2025, we delivered the outcomes of a joint collaborative initiative to develop a gender pay parity e-learning program to enhance sensitivity and understanding of the gender pay gap, in particular equal pay for equal work. Our goal is to have 100% of our core Tier 1 suppliers subscribed to the FLA e-Learning Portal complete this e-learning program. In 2025, 70% of our core Tier 1 suppliers enrolled in the e-learning and 100% completed the course. A second phase of the e-learning will be completed in 2026 to ensure 100% of core Tier 1 suppliers complete the course.

Engagement of value chain workers in setting targets

We aim to address the topics that are most salient to our business and our stakeholders. To identify these topics, set targets accordingly, and increase transparency and disclosure, we openly engage with our stakeholders and consider their views and opinions when making decisions that shape our day-to-day operations. While workers were not directly involved in setting our 2025 program ambitions, their feedback – collected through grievance mechanisms and surveys – helps us track progress and evaluate program effectiveness.



ESRS S3

Affected Communities

We have limited direct impact on surrounding communities, but our upstream supply chain presents the most significant risks – particularly where factory operations affect local access to clean water and sanitation or where human rights defenders (HRDs) face retaliation. These issues form our core material impacts and guide our focus on strengthening supplier practices, community reporting channels, and timely remediation.

Key metrics and actions

Our 2025 actions focused on safeguarding affected communities by strengthening water and sanitation protections, ensuring effective community grievance reporting, and taking decisive action to uphold the rights and safety of human rights defenders.

Community access to water and sanitation

In 2025, in response to concerns raised in Indonesia, we required implicated Tier 1 suppliers to clean up residual waste that had been dumped improperly, strengthen oversight of waste vendors, and align disposal practices with environmental authorities. We also continued to follow up on a community complaint from 2024 related to localized flooding caused by a Tier 2 facility. All preventive remediation measures at this facility have now been fully completed.

Supporting the freedoms of human rights defenders

We continued to monitor potential HRD-related risks through our third-party complaints mechanism and to engage with stakeholders, where relevant. In 2025, we did not record any HRD rights violations that required our direct action.

ESRS 2 General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported in ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

adidas operates a primarily outsourced global supply chain, extending from strategic manufacturing partners to component and raw material suppliers, including cotton, leather, and natural rubber. While our own operations – such as offices, retail stores, and distribution centers – pose limited direct risk to affected communities, our upstream supply chain presents greater potential for impact.

Through our materiality assessment and stakeholder engagement processes, we have identified actual and potential impacts on affected communities, particularly in relation to:

— Access to water and sanitation (e.g., groundwater depletion, pollution near supplier facilities, generation of hazardous waste including chemical waste)

— Human rights defenders (HRDs) (e.g., unfair dismissal, intimidation, or retaliation)

— Indigenous Peoples and communities near raw material production and/or recycling sites

These impacts originate from our business model, which relies on outsourced production in regions where environmental and human rights risks are more prevalent. Any material negative impacts that occur are typically individual incidents. They also inform our strategy, leading to targeted due diligence, supplier requirements, and grievance mechanisms to mitigate and remediate harm.

Affected communities may include:

— HRDs such as trade unionists, environmental advocates, and labor rights campaigners

— Local populations near Tier 1 and Tier 2 supplier facilities

— Communities impacted by logistics and distribution activities

— Indigenous Peoples in proximity to the production of raw materials which enter our supply chain

We engage with stakeholders – including NGOs, trade unions, and advocacy groups – to understand community concerns and shape responsive actions. Our third-party complaints mechanism and community reporting protocols provide channels for affected communities to raise concerns, which are investigated and addressed in line with our Human Rights and Environmental Due Diligence (HREDD) system.

SBM-3 - Affected communities and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Water and sanitation	Negative Impact	Potential	Short-term	Upstream	There are potential adverse environmental impacts linked to our supply chain that may prevent community access to clean water and sanitation in the communities where our suppliers operate (mainly focusing on Tier 2 suppliers, which utilize water-intensive processes as part of their production).
Impacts on human rights defenders	Negative Impact	Potential	Mid-term	Upstream	Human rights defenders may be adversely impacted through intimidation, discrimination, or economic retaliation when raising their concerns (including those that may be linked to our business operations), particularly in regions where civic freedoms and human rights protections are limited.

Impact, risk and opportunity management

S3-1 – Policies related to affected communities

Community economic, social, and cultural rights (e.g., access to clean water and sanitation) are addressed through core policies including our Human Rights Policy, Human Rights Defenders Policy, and adidas Environmental Guidelines. These documents guide actions to minimize impacts on affected communities, including those related to climate change, biodiversity, water use, hazardous chemicals, and waste.

Our policies align with international standards, including the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD MNE Guidelines. They also reflect guidance on vulnerable groups such as Indigenous Peoples, women, children, and migrant workers. adidas has publicly communicated our commitment to respecting Indigenous Peoples in accordance with the UN Declaration on the Rights of Indigenous Peoples and ILO Convention No. 169. This is further defined in our Biodiversity and Ecosystems Policy, which requires respect for the rights, lands, and cultures of Indigenous Peoples and obligates our suppliers to obtain free, prior, and informed consent (FPIC) for new developments near tribal or disputed lands.

▶ SEE ESRS E4-2 – POLICIES RELATED TO BIODIVERSITY AND ECOSYSTEMS

Monitoring compliance with these standards is detailed in ESRS S2 – Workers in the Value Chain. For affected communities, our primary monitoring mechanism is the third-party complaints procedure.

▶ SEE ESRS S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

S3-1 – Policies related to affected communities

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Human Rights Policy (HRDs)	Defines our commitment to human rights and the protection of the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	All own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Human Rights Defenders Policy (HRDs)	Addresses instances where Human Rights Defenders (HRDs) activities are repressed by suppliers or others.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	UN Special Rapporteur on HRDs	Direct consultation with suppliers	Accessible on corporate website
Workplace Standards (WS, HRDs)	Sets contractually binding requirements applicable for our suppliers, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO conventions, model code of conduct of the WFSGI	Direct consultation with suppliers	Accessible on corporate website and directly shared with suppliers
Environmental Guidelines (WS)	Describes ways to prevent pollution, manage and control environmental impacts, and avoid depletion of natural resources; includes water management.	Upstream (Tier 1 and Tier 2 suppliers)	SVP Product Development & Sourcing	ZDHC wastewater guideline and ZDHC MRSL	ZDHC and adidas suppliers	Accessible on corporate website

S3-1 – Policies related to affected communities

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Guidelines on Employment Standards (HRDs)	Describes suppliers' human rights due diligence obligations and protections against discrimination.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	Various international conventions and standards on international labor rights and human rights	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
WS — Water and Sanitation
HRDs — Human Rights Defenders

S3-2 – Processes for engaging with affected communities about impacts

adidas engages with stakeholders who represent affected communities to inform our due diligence and support effective remedies. While suppliers are typically the first point of contact for local concerns, adidas intervenes when credible reports or third-party complaints highlight potential or actual negative impacts.

adidas uses its stakeholder engagement, as stated above, to gain insights into the perspectives of affected communities. This especially includes vulnerable groups, such as women, migrant workers, Indigenous Peoples, and other minorities, or those whose circumstances open them up to exploitation or the abuse of their rights and who may be particularly affected by adverse impacts.

However, we recognize there are challenges in identifying and addressing all potential or actual adverse impacts on affected communities, including Indigenous Peoples, across our upstream value chain. These challenges stem primarily from such impacts being concentrated in the upper tiers of our supply chain – at the raw material or commodity level – where our visibility and direct engagement are limited. To address these challenges, we are committed to strengthening our due diligence and stakeholder engagement practices to ensure broader coverage and more effective management of community-related risks.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

Processes to remediate negative impacts

We operate processes to enable and provide remediation for adverse impacts on affected communities, with dedicated grievance channels for water and sanitation issues and human rights defenders (HRDs), integrated into our Human Rights and Environmental Due Diligence (HREDD).

For water and sanitation concerns, suppliers must report community complaints through our reporting mechanism, provide details (complainant, timing, nature of issue), and share investigation outcomes, corrective actions, and preventive measures, including communication with stakeholders.

For HRDs, we act directly where partners violate rights, engage constructively with governments when state actions impede HRDs, and address issues raised via our third-party complaints process. We are committed to being 100% responsive to complaints received and providing timely remedy for any breach of our Human Rights Policy or Workplace Standards. All cases are tracked, outcomes published annually, and processes reviewed for effectiveness using stakeholder feedback. A non-retaliation policy protects complainants.

Channels for affected communities to raise concerns

We provide multiple channels for affected communities and external stakeholders to raise concerns:

— Complaint Mechanism for Human Rights and Environmental Impacts: Enables any third party, including individuals and organizations, to report human rights or environmental harm. We publish annual updates on cases and outcomes on our corporate website.

— Supplier Self-Reporting: Under our Major Incident Report Protocol, suppliers must report community water and sanitation complaints, investigation plans, and follow-up actions to our Social & Environmental Affairs (SEA) team.

These grievance channels form part of our Human Rights and Environmental Due Diligence (HREDD) system. We monitor the nature, type and frequency of complaints received to gauge affected communities' – or their legitimate representatives' and credible proxies' – trust and awareness of these processes. We review their effectiveness annually by reviewing the scope, nature and frequency of the complaints received through these channels, and we incorporate stakeholder feedback for improvement. All complainants are protected by our commitment to non-retaliation.

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

adidas seeks to prevent material negative impacts on affected communities by enforcing supplier compliance with environmental standards, requiring free, prior, and informed consent (FPIC) for land-related developments in the rare instances where these occur in our supply chain, and conducting upstream human rights due diligence on raw materials. These measures aim to prevent noncompliance with international standards, such as the UNGPs, the ILO Declaration, or the OECD Guidelines. No severe noncompliances were identified during the reporting year. Isolated incidents in the supply chain – such as improper waste disposal impacting local communities – were investigated and remediated.

The actions taken during the reporting period were led by the Social & Environmental Affairs (SEA) team, a specialist function within Global Legal, which oversees human rights and environmental due diligence and ensures supply chain compliance with Workplace Standards. This 37-person team operates globally, with staff based in major sourcing countries, Germany, and the United States, all dedicated full-time to due diligence and compliance. The SEA team collaborates closely with the Sourcing Sustainability function, which focuses on remediating environmental impacts and tracking supplier performance against published targets.

Actions related to water and sanitation

Our actions to address actual or potential negative impacts on community water and sanitation are embedded in our Human Rights and Environmental Due Diligence (HREDD) process. We manage supplier-reported cases through our community complaints mechanism, aiming for effective remediation and preventive measures. In addition, we obligate our suppliers to adhere to strict environmental standards on air emissions, wastewater discharge, waste disposal, and water use to minimize risks to communities and ecosystems. These supplier obligations are embedded in our Workplace Standards and are monitored through a community complaints mechanism, audits and incident tracking. Where systemic issues arise, we collaborate with industry initiatives and local stakeholders to drive broader change.

In 2025, several Tier 1 factories in Indonesia were asked by local authorities to review their waste management practices, particularly regarding potential open dumping or illegal burning, after a community concern was raised through a local NGO. While most production waste was properly recycled or co-processed, some residual waste had been improperly dumped due to local restrictions on landfill use. Corrective actions included clean-up of affected areas, tighter oversight of waste vendors, and consultation with local environmental authorities to determine compliant disposal methods for non-recyclable residues.

Separately, in October 2025, local media alleged improper handling of hazardous waste at one facility in Indonesia. Following a government inspection, the allegation was found to be unsubstantiated, with authorities confirming that the factory maintained appropriate procedures and documentation for hazardous waste storage and disposal.

We also continued to follow up on a community complaint reported in 2024 concerning a Tier 2 supplier facility in Indonesia. The complaint alleged that the facility's operations contributed to localized flooding, which adversely impacted the surrounding community.

In response, adidas required the facility to implement measures to upgrade its rainwater runoff systems to prevent future flooding. The supplier completed the remediation actions, which were validated by an independent third party. Additionally, following an on-site inspection, the local government issued a confirmation letter. Based on these verified results, the case has been closed, and adidas has communicated the resolution to the complainant.

Actions related to human rights defenders (HRDs)

Our actions related to HRDs are case-specific and leverage our influence to drive change, including direct engagement with affected parties – such as labor organizations, NGOs, and authorities, in line with international human rights standards and local laws. We monitor potential HRD impacts through our third-party complaints mechanism and other tracking processes. In 2025, we neither identified nor were made aware of any HRD rights violations. As a result, no specific actions related to HRDs were required.

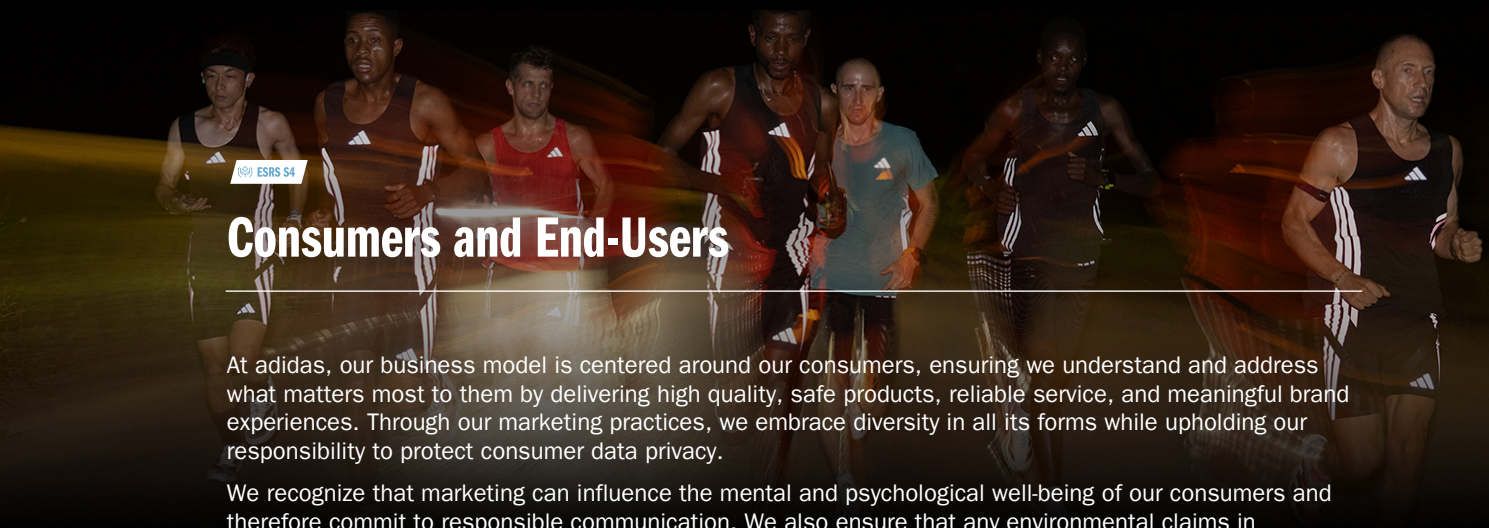
Reviewing effectiveness of our actions

Our primary focus is on addressing any identified adverse impacts on affected communities that may be raised through our third-party complaints mechanism and/or stakeholder engagement with credible proxies and/or legitimate representatives of affected communities. For the former, processes are in place to validate the resolution of the case with the affected party, which is a means to evaluate the effectiveness of the corrective/remedial action. Our incident handling procedure lays out guidance to factories on how to manage issues related to adverse impacts on affected communities regarding water/sanitation, and to track the management of such cases as they arise.

Metrics and targets

S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Given the very low frequency of cases that are being managed, we currently do not have time-bound, outcome-oriented targets with regard to reducing negative impacts on affected communities or advancing positive impacts on affected communities.



ESRS S4

Consumers and End-Users

At adidas, our business model is centered around our consumers, ensuring we understand and address what matters most to them by delivering high quality, safe products, reliable service, and meaningful brand experiences. Through our marketing practices, we embrace diversity in all its forms while upholding our responsibility to protect consumer data privacy.

We recognize that marketing can influence the mental and psychological well-being of our consumers and therefore commit to responsible communication. We also ensure that any environmental claims in advertising are accurate and not misleading, enabling consumers to make informed choices.

At the same time, we remain aware of risks, such as potential privacy violations, which may lead to administrative fines or legal claims, as well as health and safety risks stemming from non-compliance with regulatory requirements, which could result in recalls, financial penalties, or reputational damage.

Key metrics and actions

At adidas, we are dedicated to maintaining the highest standards of data protection, safeguarding the well-being of our consumers, and promoting ethical marketing practices that resonate with our values of inclusion and belonging. As a result, these actions and commitments are reflected in our daily operations.

Privacy	Health and safety	Responsible marketing practices
Integration of robust privacy management systems into our business practices, including regular audits, employee training, and the adoption of security technologies.	Implementation of company-wide product safety policies and standards that cover all aspects of a specific product.	Appropriate and proactive measures, such as sentiment analysis or a partner escalation process, are in place to safeguard our brand and ensure that our brand values are reflected.

Number of product recalls in 2025 related to health and safety

0

Due to the quality of our products and thorough processes, policies, and standards in place, there were no recorded product recalls in 2025.

ESRS 2 – General disclosures

SBM-2 – Interests and views of stakeholders

Our approach to engagement with our stakeholders is reported under ESRS 2 SBM-2.

▶ SEE ESRS 2 – SBM-2 – INTERESTS AND VIEWS OF STAKEHOLDERS

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

SBM-3 – Consumers and end-users and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Privacy	Risk	n.a.	Short-term	Downstream	Failure to implement and maintain effective privacy management, especially in times of strong digital growth, could result in the inability to effectively convert privacy principles into operational business processes and thereby the non-compliance with or violation of legal requirements (such as the EU's General Data Protection Regulation – GDPR). Additional risks can result from IT security incidents. Overall, this could lead to administrative fines, individual legal claims, or other administrative action, such as business operations restrictions upon complaints, audits, or lawsuits.
Health and safety	Risk	n.a.	Short-term	Downstream	We expect an increase in regulatory requirements, e.g., in the EU regarding usage of chemicals. These (regional) requirements can lead to an increasing risk of non-compliance. Claims of non-compliance with legal requirements, applicable voluntary or mandatory standards for product quality or product safety could lead to voluntary or mandatory product recalls, returned stock and lead to penalties, fines, personal injury claims or reputational damage.
Responsible marketing practices	Negative Impact	Actual	n.a.	Downstream	At adidas, we are committed to fostering an inclusive and positive environment for all our consumers. As part of our dedication to responsible marketing practices, we recognize the profound impact that these practices can have on the mental and psychological well-being of our consumers and impacted communities – either through us or our marketing partners. This includes, e.g., any form of communication that unfairly targets or excludes certain groups based on race, gender, age, or other characteristics, and that can have detrimental effects on the mental health and overall well-being of consumers.
Responsible marketing practices	Negative Impact	Potential	Short-term	Downstream	Environmental claims in advertising should be accurate and not misleading. Consumers should have all relevant information about the product before making a purchase decision. If this is not the case, consumers could purchase a product that does not meet their expectations, which could negatively impact their trust in our brand and leave them financially dissatisfied.

Connection between impacts and risks and adidas' strategy and business model

Privacy

The effective implementation and maintenance of privacy management are paramount. Failure to convert privacy principles into operational business processes can lead to violations of legal requirements. Such incidents could result in administrative fines, individual legal claims, or other administrative actions, such as business operation restrictions following complaints, audits, or lawsuits.

Responsible marketing practices: discriminative marketing

At adidas, our business model is centered around our consumers. We focus on understanding and addressing what matters most to them by creating the products they desire, offering the service they expect, and providing the experience they need. Our goal is to reach sports and fashion enthusiasts worldwide, ensuring inclusivity regardless of race, gender, age, or other characteristics. Our values, standards and business model inherently oppose discrimination, as we aim to deliver our products and services to all potential consumers, embracing diversity in all its forms. We are committed to spreading this message through our marketing practices, which are essential for building brand desirability and attracting consumers. Our marketing practices focus on inspirational and innovative concepts that drive consumer advocacy, build brand equity, and increase demand. By aligning our marketing efforts with our business

model, we prioritize consumer engagement and loyalty while actively working to prevent any form of discriminative marketing.

Responsible marketing practices: environmental claims

Regarding environmental claims, we prioritize accuracy and transparency in our marketing messages to maintain consumer trust and align our business practices with our long-standing commitment to sustainability, which spans over two decades. We will continue to empower our employees to become sustainability ambassadors and invite our global consumers to engage and connect with us on sustainability initiatives.

Scope of consumers and/or end-users

Given the nature of our products and services, all of our consumers and end-users can be subject to the material impacts or risks outlined in this chapter. Consequently, we do not generally categorize or specify consumer types.

Regarding privacy, we require users to be of the age of consent (16 and older in the European Union (EU)/ the European Economic Area (EEA)) to use our platforms and provide information. This approach is designed to minimize privacy risks for children. Generally, we address the following consumers regarding privacy issues:

— consumers aged 16 and older who use any of the adidas platforms (website, apps),

— consumers aged 16 and older who create a membership account/profile via any of the adidas platforms (website, apps),

— consumers who interact with our customer service agents via adidas platforms (website, apps), and

— consumers who provide information to our employees at retail stores.

At adidas, we recognize the importance of providing accurate and accessible product-related information to our consumers and end-users. Through labels, manuals, digital platforms, and customer support, we aim to ensure that our products can be used safely, preventing any potential damage or misuse.

Our product range, including apparel, footwear, and accessories, is designed to be safe, not inherently harmful, and does not increase the risk of chronic disease. We conduct rigorous product testing to comply with safety standards, provide clear usage instructions, as well as maintain full transparency on the material mix of our products. This commitment is designed to ensure the safety and well-being of our consumers and end-users.

Additionally, we require all our business relationships and supply chain partners to adhere to high health and safety standards. As a result, no specific consumers or end-users with particular characteristics, or those using particular products or services, are at greater risk of harm.

As described above, there are no specific consumer or end-user groups that are more or less vulnerable in terms of privacy or health and safety concerns. However, regarding brand partnership marketing, we recognize the importance of understanding how our brand partnership marketing activities may impact our diverse consumers and end-users, particularly those with specific characteristics or those using particular products or services. While it is challenging to foresee and manage every potential occurrence, we have implemented several measures to develop a comprehensive understanding. Our consumers and end-users include a diverse group of individuals. We acknowledge that brand partnership marketing can influence all

these groups in various ways. Particularly vulnerable consumers and end-users are those who may be discriminated against for one or more of the following actual or perceived characteristics:

— race, color, ethnic or national origin,
— age,
— religion or belief,
— disability,
— sex, sexual orientation, pregnancy or related medical conditions,
— gender identity, status, or expression,
— nationality, immigration status, citizenship, or ancestry,
— physical or mental ability, condition or characteristics, or
— any other basis prohibited under local law.

The list is not exhaustive and may be supplemented by local law.

The identified material negative impacts related to responsible marketing practices are isolated incidents rather than widespread or systemic issues. By ensuring that our marketing efforts are tailored and specific, we minimize the risk of broad negative impacts on our consumers.

SBM-3 – Material negative impacts – systemic or widespread

Material matter	Material negative impacts – systemic or widespread
Responsible marketing practices: discriminative marketing	Individual – When it comes to our marketing through partnerships, e.g., with other brands, sports teams, athletes, creative partners, innovation partners, or events, any occurrence of our negative impact on consumers is neither systemic nor widespread due to the unique and specific nature of our partnerships.
Responsible marketing practices: environmental claims	Individual – Similarly to the above, any negative impact on consumers resulting from misinformation on environmental claims is also individual, and neither systemic nor widespread due to the unique and specific advertisement of individual products.

Impact, risk, and opportunity management

S4-1 – Policies related to consumers and end-users

To prevent or mitigate any form of risks or negative impacts on consumers and end-users concerning privacy, health and safety, and responsible marketing practices, we have several policies in place. We have established mechanisms to ensure all our policies are regularly revisited and updated as necessary.

S4-1 – Policies related to consumers and end-users

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Global Privacy Management Policy (P)	Outlines adidas' privacy ambition, principles, and framework and includes adidas' approach to deleting personal data. It also sets expectations for third-party suppliers on managing personal information for adidas.	Downstream	Global Privacy Officer	n.a.	n.a.	Available for all employees

S4-1 – Policies related to consumers and end-users

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Information Security Policy (P)	Defines adidas' strategy to maintain moderate security risk and regulatory compliance, ensuring the confidentiality, integrity, and availability of assets, including information, data and services, through established standards and practices.	Downstream	Chief Information Officer (CIO)	n.a.	n.a.	Available for all employees
Information Classification Policy (P)	Outlines the protection of adidas' information assets by employees or contractors through classifying information based on sensitivity and value, applying suitable security controls for each level.	Downstream	Chief Information Officer (CIO)	n.a.	n.a.	Available for all employees
Access Control Standard (P)	Defines the requirements of access related controls (as specified in NIST SP 800-53 Rev. 5) for employees, contractors or consultants in the context of adidas.	Downstream	Chief Information Officer (CIO)	National Institute of Standards and Technology (NIST SP 800-53 Rev. 5)	n.a.	Available for all employees
adidas Policy for the Control and Monitoring of Hazardous Substances (H&S)	Defines clear requirements, handling and process flow for informing, testing, and certifying compliance regarding possibly existing critical hazardous substances in adidas products and materials.	Downstream	SVP Product Development & Sourcing, General Counsel	WFSGI, IUCN, ILO, AFIRM	n.a.	Accessible on corporate website
Sustainable Ingredient Definition SOP (R)	Sets the framework for sustainable ingredients for adidas products, detailing the lifecycle and roles and responsibilities.	Entire value chain	SVP Product Development & Sourcing	Preferred Fiber and Materials Matrix from Textile Exchange	n.a.	Available for all employees
Brand Partnerships Policy (R)	Provides information about processes and guidelines within sports marketing, culture marketing and product collaborations.	Downstream	SVP Brand Partnerships	n.a.	n.a.	Available for all employees
Brand Partnership Escalation Process (R)	Outlines the process for addressing critical partner behavior while avoiding subjective judgments.	Downstream	SVP Brand Partnerships	n.a.	n.a.	Available for all brand partnerships
Sports Marketing Contracts Policy (R)	Establishes best practice in respect of the drafting, negotiation, approval, and management of sports marketing contracts involving any of the adidas brands and sports marketing assets.	Downstream (all sports marketing contracts above defined threshold globally)	General Counsel	n.a.	n.a.	Available for all employees
Fair Play Code of Conduct (R)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems where they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing. Promotes a respectful, equitable and inclusive work environment.	Entire value chain	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website

1 Material matters addressed by policies and guidelines are abbreviated as follows:
P – Privacy
H&S – Health and Safety
R – Responsible Marketing

With regard to privacy, adidas has policies, standards and blueprints (such as processes, procedures, guidelines, and manuals) in place, which apply to adidas entities around the globe. In these documents, adidas has defined an information security management system (ISMS) for the development, introduction, operation, and further enhancements of adidas information security capabilities. This risk-based approach ensures that relevant security objectives are met. The ISMS is built on the principles of Govern, Identify, Protect, Detect, Respond, and Recover (in accordance with the NIST SP 800-53 Rev. 5 framework) to ensure performance measurement and continual improvement.

Furthermore, adidas is committed to respecting and promoting adherence to human rights throughout the entire value chain and for its consumers. Human rights are fundamental rights and freedoms for everyone

based on dignity, fairness, equality, and respect. We operationalize this commitment toward our consumers through our Fair Play Code of Conduct, which establishes high ethical standards to be adhered to by our employees and partners in all their activities. The Fair Play Code of Conduct includes, among others, our zero-tolerance against discrimination and harassment.

S4-2 – Processes for engaging with consumers and end-users about impacts

The adidas Brand Insights department plays a crucial role in streamlining insights across markets, categories, consumers, and competitors by monitoring, surveying, and tracking consumer behavior. This department comprises the following teams:

— **Consumer Insights**, which focuses on understanding broad consumer behavior through bespoke consumer research with leading agencies in the respective fields, and with the usage of social intelligence tools,

— **Category Insights**, which formulates insights based on the specific needs of our product categories, e.g., Football, Running,

— **Brand Insights**, responsible for delivering insights on marketing effectiveness and overall brand health by conducting regular brand funnel market studies surveys which gather comprehensive consumer data.

To gain consumer insights, we mostly use three types of data sources:

— Quantitative (structured) consumer survey data gathered for us from third-party providers (agencies, software-as-a-service (SaaS) providers). We work with agencies in the field that conduct a brand perception and brand health survey in various countries every year. This type of data is collected continuously throughout the year, based on a rigid sampling plan.

— Behavioral data from digital data sources from social media platforms and search engines used by our target consumer, such as Instagram, TikTok, Google – this data is sourced via SaaS partners who provide platform access and raw data (dashboards, files, API access). This type of data is always accessible.

— Qualitative consumer feedback on products, concepts, ideas, looks, and styles from focus groups, workshops, and in-depth interviews. This data is gathered on an ad hoc basis, depending on the requirements.

We gather data from consumers who buy technical sports products, branded sportswear, and streetwear, with a focus on the Gen Z demographic as well as avid athletes and key opinion leaders in their area of expertise, e.g., outdoor athletes for discussions on trail running shoes, fitness instructors to discuss gym wear.

This multifaceted approach to insights helps us gain diverse and credible perspectives that inform our decisions and activities aimed at managing the impact of our responsible marketing practices on our consumers. These activities are being managed by our Brand Insights team reporting into the SVP Brand Development.

Furthermore, our Brand Partnership Insights department leverages insights through online platforms and panel questionnaires to understand how our partners, such as clubs, athletes, and celebrities are perceived by consumers. We use digital tools and collaborate with agencies that conduct consumer surveys and collect specific data. This allows us to measure various aspects of our partners, including social media

performance and brand fit. Additionally, we generate ad hoc reports for specific or special occasions. This comprehensive approach helps us understand the broader impact of our brand partnerships on consumer perception. All insights related to our partners are being managed by the Brand Partnerships Operations, Insights and History Management team reporting into the SVP Brand Partnerships.

Our organization employs a comprehensive approach to assess the effectiveness of our engagement with consumers and end-users. This process includes evaluating brand heat, consumer demand, and other relevant metrics to ensure that our strategies are aligned with consumer expectations and preferences.

In partnership marketing, we follow a structured yearly planning process to determine our development strategies with all our partners. This process involves making informed decisions about (dis)continuing preexisting partnerships or initiating new ones based on a potential partner's alignment with our brand values and objectives.

The outcomes of our assessments and engagements are documented and reviewed to guide future strategies and decisions. This iterative process helps ensure that our engagement with consumers and end-users remains effective and aligned with our organizational goals.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In general, consumers can lodge complaints about any issues they want to address through various accessible and responsive channels. These channels include:

— Contacts provided by national adidas websites, as also detailed by the EU's General Product Safety Regulation (GPSR)

— Direct communication with our Customer Service team and store staff

— Specific adidas websites that are open for questions of any kind

— adidas complaint system (the customer complaint system adiComp tracks all consumer complaints at point of sales)

— adidas Key Account Management (potential consumer complaints on adidas products addressed to our wholesalers are channeled back via the respective account management)

— Fair Play webform and hotline (whistleblowing system) – details can be found here:

▶ SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

We track and monitor issues raised and addressed through these various systems to ensure the effectiveness of our channels. This includes our customer service and the adidas complaint system (adiComp), which tracks, captures, and handles 100% of incoming consumer complaints and resolutions. For privacy cases, we use an automated individual rights request tool with KPIs and periodic reporting to monitor and assess its effectiveness. Customer service is tracked by customer service systems and processes, while emails to Global Privacy are handled by the Global Privacy team. Our customer service provider is contractually obligated to handle consumer complaints and requests, with an internal due diligence process overseen by business stakeholders to ensure compliance and effectiveness.

The fact that our consumers actively use these channels and reach out to us directly for support demonstrates their trust in our services. Information on how we protect individuals from retaliation when they use our processes is presented in ESRS G1 – Business Conduct.

▶ SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Additionally, our Government Affairs team is responsible for handling cases brought forward by NGOs. The team aims to ensure that we engage with stakeholders effectively and address their concerns promptly.

As for our business relationships, we support and require the availability of complaint and feedback channels by focusing on relationship management and accessibility, specifically for key accounts and online communities. This ensures that our partners are equipped to handle consumer complaints and feedback effectively.

By maintaining multiple open channels of communication and continuously improving our processes, we strive to provide effective remedies and uphold our commitment to responsible marketing practices as well as consumer satisfaction and safety. Details on our actions are presented in the following section.

S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

The involved departments and teams managing the material impacts and risks in relation to consumers and end-users are mentioned in detail in the section S4-2 – Processes for engaging with consumers and end-users about impacts.

Approaches to manage the privacy risk

To mitigate the risk, we have integrated robust privacy management systems into our business practices. This includes employee training, implementing privacy requirements, adopting security technologies to protect consumer data, as well as conducting audits. By respecting privacy, we not only comply with legal standards but also build consumer trust, which is essential for our long-term success.

Furthermore, privacy-related risks are fully considered in the adidas enterprise risk and opportunity assessment, which sets a standardized approach to identify, evaluate, and handle all relevant risks. To manage such risks, we identify the needed actions by carrying out dedicated impact assessments on projects processing consumer data – in addition to our data protection impact assessment as required by Art. 35 EU GDPR. We furthermore consult applicable local legal requirements. More details can be found in the Risk and Opportunity Report.

▶ SEE RISK AND OPPORTUNITY REPORT

Based on the outcome of our assessments, we implement necessary measures to ensure risk mitigation. If we determine that the risks remain high and cannot be mitigated, we do not proceed with the processing to ensure minimal risk exposure. To mitigate our risk, we conduct the above-mentioned data protection impact assessments and implement necessary compliance measures.

We have restrictive system and data access controls in place to ensure that our employees and suppliers access our systems and data only on a need-to-know basis. In addition, we have internal supplier due diligence processes in place to mitigate any negative consumer experiences that may result from our data processing supply chains. We conduct periodic spot checks to determine whether the measures in place remain sufficient, especially if there are changes in the level of risk that could increase the impact on individuals.

The Information Security team, in collaboration with other teams, such as Tech, has dedicated global programs in place – in addition to its regular services – to implement the aforementioned security controls, thereby minimizing the privacy risk:

— Cloud Security: The objective of this program and related actions is to implement proactive security measures to identify and mitigate issues before these materialize into a risk event, minimizing business disruption. We aim to develop scalable solutions to manage vulnerabilities and secure our cloud environment. These measures support the implementation of the control framework defined in the Information Security Policy, its supporting standards, and blueprints.

— Data Security: The objective is to further develop our framework and governance model for data security, which will lead to improved decision making and the implementation of the required actions to meet control and regulatory requirements, overall aiming at reducing data-related risks. This supports the implementation of the data security controls defined in the Information Security Policy, its supporting standards, and blueprints.

— Ransomware Readiness: This project aims at improving current assessments for the most critical assets in order to limit operational damage, loss of revenue, legal or regulatory sanctions and reputational damage to adidas against ransomware extortion. The approach is to further develop technical solutions for immutable backups and a process to restore/recover. The project supports the backup and recovery domain of the control framework as defined in the Information Security Policy, its supporting standards, and blueprints.

— Control Assessment: This is an ongoing service to regularly validate the status of the control maturity from both the enterprise and system perspectives. Through this activity, we are able to identify improvement areas for the implemented adidas controls, enabling us to prioritize and implement the needed controls across the organization.

When a personal data breach is reported to the Cyber Security Incident Response team, it is categorized as either a confidentiality breach (unauthorized access, use, or disclosure of confidential information), an integrity breach (unauthorized modification – intentional or unintentional – of information), or an availability breach (accidental loss of access to, or destruction of, information). An analysis is then conducted to determine if the breach is likely to impact personal data and adversely affect individuals, such as consumers. If a potential adverse effect is identified, we take appropriate steps to involve relevant stakeholders and report the breach to authorities, as applicable. We identify corrective actions to address significant compromises or vulnerabilities. These actions are executed by respective stakeholders, such as business or tech teams, to remediate the issues. Follow-up actions are conducted for successful closure and validation, and lessons learned assessments are organized to incorporate learnings to prevent such incidents in the future.

While human error cannot be entirely avoided, we take measures to prevent personal data breaches caused by such errors. We strictly enforce our Fair Play Code of Conduct and our Global Privacy Management Policy, as well as provide continuous training of our employees. Additionally, we conduct quality control of our suppliers to ensure that all adidas employees and representatives process consumers' personal data appropriately. Furthermore, we continuously improve our data collection and storage processes to ensure data quality and prevent the fraudulent use of personal data. To minimize technical errors, we monitor and control our systems through global and local tests of our information security controls by our Information Security team. These tests validate the effectiveness of our security controls. Moreover, vulnerability assessments, penetration testing, log monitoring, threat intelligence, and security architecture consulting are regularly performed.

Our Data Protection Officer (DPO) reports findings to the Executive Board and necessary stakeholders on a regular basis. The Privacy team also provides input to Internal Audit, which verifies and audits the privacy implementation and its corresponding effects on consumers. In the reporting year, no severe human rights issues or incidents in relation to consumers' and/or end-users' privacy rights were reported.

Approaches to manage the health and safety risk

Ensuring compliance with legal requirements and standards for product safety and quality is imperative. Selling defective products or those that fail to meet safety standards can result in consumer injury, recalls, penalties, reputational damage, and loss of market access. The increasing regulatory requirements, particularly in regions like the EU and US, pose additional challenges. These include restrictions on the use of certain chemicals, import regulations, and stringent sustainability claims. To mitigate these risks, we apply company-wide product safety policies and standards that ensure compliance with physical and chemical safety requirements. These policies, developed collaboratively by the Legal and Product Development & Sourcing departments, are regularly updated and supported by training, with compliance monitored and enforced by our sourcing organization.

Our approach is anchored by the adidas Policy for the Control and Monitoring of Hazardous Substances, introduced in 1998. It incorporates strict local requirements and best practices as recommended by consumer organizations. Updated annually and published internally and externally, the policy is mandatory for all business partners and informed by ongoing dialogue with scientific organizations. Compliance is ensured through continuous material testing in our own laboratories and external institutes. Materials that fail to meet our standards and specifications are rejected.

In addition, over the last years, we reinforced our product safety network to monitor compliance across business units, developed safety policies and procedures with a strong focus on business entities that market product safety-sensitive products and launched an internal guidance portal for recall management. Moreover, in 2025 we started the update of our product compliance database, which houses mandatory product documentation such as Certificates of Compliance (COC). This proactive approach ensures that we can respond promptly to regulatory requests and maintain market access for our products.

Finally, our Legal, Social & Environmental Affairs and Government Affairs teams are regularly involved in advocacy efforts. We actively contribute to industry initiatives, such as the AFIRM's Restricted Substances List, and support the development of best practice tools. In 2025, we strengthened our engagement in public stakeholder consultations with the European Commission and US legislative bodies to help shape practical regulations. To address increasing US state legislation, including EPA requirements for PFAS, we enhanced status sharing with retailers, expanded supplier outreach, and improved tracking functionality.

By ensuring we stay updated about regulatory requirements and maintain the needed framework for the implementation of the adidas Policy for the Control and Monitoring of Hazardous Substances, we ensure that our business remains resilient and responsive to evolving consumer expectations and regulatory demands. As a result of these ongoing efforts, we recorded no product recalls related to health and safety in 2025 (excluding licensed products).

Taking action on the responsible marketing practices impacts

As outlined earlier in this chapter, our marketing practices are a crucial component of our commitment to responsible marketing. In our brand partnership marketing efforts, we strive to ensure that our collaborations and partnerships reflect our brand values and maintain consumer trust. To achieve this, we conduct thorough screenings of potential partners. We take appropriate and proactive measures to safeguard our brand, which may ultimately result in the termination of business relationships, if necessary.

We aim to prevent any negative impact on consumers from the outset through our marketing practices. To both prevent and respond to these impacts, we engage openly with our stakeholders. We provide multiple channels for consumers to lodge complaints or address issues, as presented in the previous section (S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns). However, if a negative impact occurs despite our preventive measures, we promptly seek to identify the actions needed to address the impact of our marketing practices, particularly in the areas of discriminative marketing and environmental claims.

In addition, through our Government Affairs team, we maintain relationships with legislative authorities and NGOs to ensure compliance with all relevant regulations and standards. Our diligent monitoring procedures allow us to integrate new requirements into our operations as soon as possible, often before they become legislated.

We take various measures to prevent and mitigate negative effects associated with discriminative marketing, particularly in the area of brand partnership marketing. These measures include:

— **Social media:** We continuously monitor social media to track consumer sentiments and identify potential issues early.

— **Sentiment analysis:** By analyzing consumer sentiments, we gain insights into how our brand and partners are perceived, allowing us to address any negative perceptions promptly.

— **Partner escalation process:** We have established a partner escalation process to manage and resolve any issues that arise with our marketing partners, ensuring that any negative impacts are swiftly addressed.

If a negative impact occurs from brand partnership marketing despite our preventive measures, we tailor our approach to providing or enabling remedies to the specific circumstances of each case. We assess each situation individually to determine the most appropriate actions and measures. We commit to acting promptly and effectively as soon as a case arises, ensuring that we address our material negative impacts on consumers and end-users in a manner that is responsive to the unique circumstances of each situation. For example, in cases involving high-profile partnerships, we evaluate the specific impact and take swift action to address any issues that arise. This may involve direct engagement with the partners, issuing public statements, or implementing other remedial measures to mitigate the impact and uphold our brand integrity. The effectiveness of the implemented actions is monitored through the established channels for engaging with consumers, with insights captured through the use of the different data sources explained in S4-2 – Processes for engaging with consumers and end-users about impacts.

We are committed to addressing environmental claims responsibly and respecting existing and upcoming regulation. If, despite our measures and due diligence, an environmental claim does not meet our stringent standards or is perceived as ambiguous by our consumers, adidas will take corrective action by removing or adjusting the claim, such as revising product descriptions on e-commerce platforms to ensure accuracy and transparency.

Metrics and targets

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Privacy risk

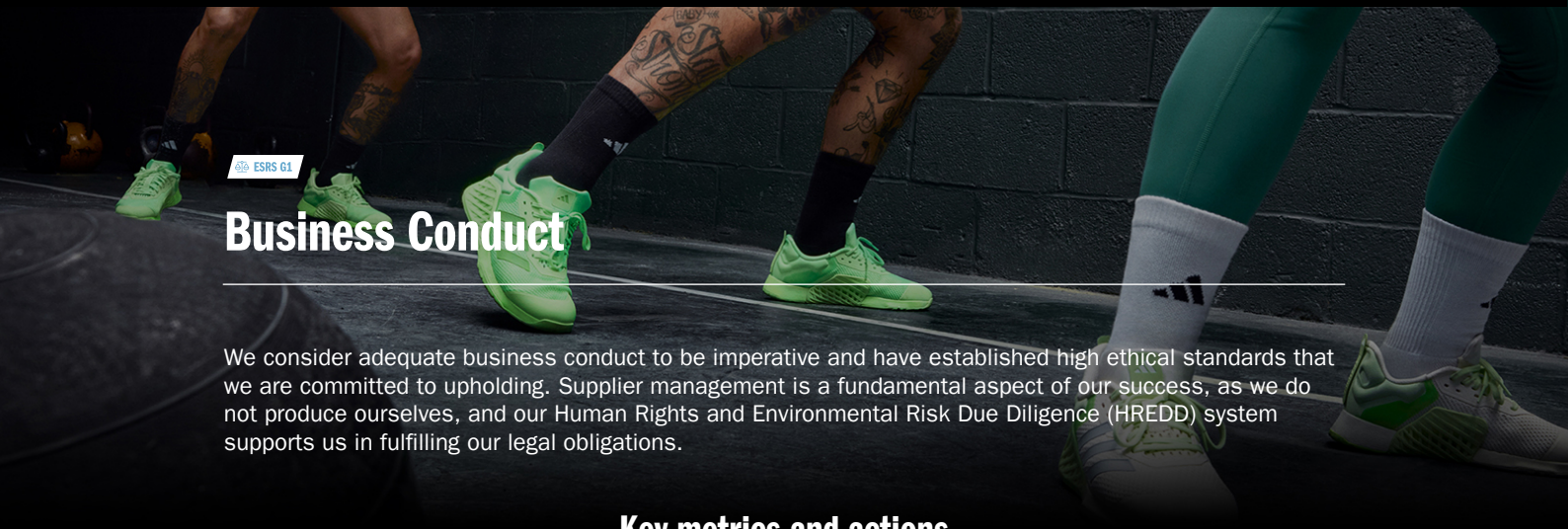
Our goal is to comply with applicable privacy laws and regulations. Although we do not have a distinct target for this ambition, we are dedicated to ensuring that our privacy practices meet high standards and protect the personal information of our consumers and stakeholders. This commitment is reflected in our daily operations and the continuous improvement of our privacy policies and procedures.

Health and safety risk

Product safety is imperative. Our ambition is to ensure that 100% of our products are safe. While we do not have a separate target outlining this ambition, we are committed to managing the risk of selling defective products that could cause injury to consumers. To mitigate this risk, we have implemented company-wide product safety policies, as mentioned above.

Responsible marketing practices impacts

Ensuring responsible marketing practices is an ongoing effort that we actively pursue, with several guidelines and future directions that are currently (re)developed. While we do not have a separate target outlining this ambition, we strive to comply with current legislative requirements and ensure that our marketing strategies align with ethical standards and consumer expectations.



ESRS G1

Business Conduct

We consider adequate business conduct to be imperative and have established high ethical standards that we are committed to upholding. Supplier management is a fundamental aspect of our success, as we do not produce ourselves, and our Human Rights and Environmental Risk Due Diligence (HREDD) system supports us in fulfilling our legal obligations.

Key metrics and actions

adidas maintains several standard processes, systems, and practices to ensure that business is conducted in line with internal policies as well as external legal requirements.

Compliance management system (Fair Play)

It establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business.

Prevention and detection of corruption and bribery

In line with our Fair Play Code of Conduct and our Compliance Policy, adidas strictly prohibits all acts of corruption and bribery, regardless of the identity or position of the parties involved: adidas does not and will not engage in bribery or corruption or any activity that could be perceived as such.

Management of relationships with suppliers

Our HREDD framework guides internal risk assessment and risk management processes in accordance with the United Nations Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. With various supplier assessment tools as well as our supplier selection practices, we believe we are well equipped to ensure we select the right partner for the success of our business and to manage adverse impacts on human rights and on the environment.

Payment practices

60 days
standard payment terms

94%[1]
on-time payment

0
legal proceedings currently outstanding for late payments

[1] Out of our 54% suppliers that are in line with the 60 days of standard payment terms.

ESRS 2 – General disclosures

IRO-1 – Material impacts, risks and opportunities and their interaction with strategy and business model

IRO-1 – Business conduct and material impacts, risks and opportunities (IROs)

Material matter	Material IRO	Classification	Time horizon	Value chain	Description
Corporate culture	Negative Impact	Actual	n.a.	Upstream, own operations, downstream	Unfair treatment might lead to financial loss and/or negatively impact the well-being of relevant stakeholder groups, e.g. our employees, suppliers, business partners, and customers.
Corporate culture	Risk	n.a.	Short-term	Own operations	adidas relies on its people and leaders to achieve strategic goals. Failure to create an inclusive workplace for all employees that is non-exclusionary and is non-discriminatory, could reduce creativity, innovation, employee satisfaction, and engagement. This may hinder the ability of adidas to foster a performance culture, execute its strategy, and meet its objectives, which may ultimately have negative effects on our financial performance.
Protection of whistleblowers	Negative Impact	Actual	n.a.	Upstream	Even with elaborate whistleblower protections in place, there can still be negative personal impacts if these measures fail in certain cases.
Management of relationships with suppliers, including payment practices	Negative Impact	Actual	n.a.	Upstream	Managing relationships with suppliers is crucial to maintaining a healthy and sustainable supply chain. Effective communication and transparency are the foundation of these relationships. It's important to maintain regular and open dialogue with suppliers, ensuring that any issues can be addressed promptly. Clearly outlining payment terms and conditions in contracts helps avoid misunderstandings and ensures that suppliers are fully aware of what to expect.
Prevention and detection, including training	Negative Impact	Actual	n.a.	Own operations	Unfair market practices, such as biased partner selection and inconsistent commercial terms (payment, price, delivery, etc.), might negatively impact business partners who have not been given a chance to present their products or services. This exclusion can lead to missed opportunities, reduced market presence, reputational damage, and financial challenges.
Prevention and detection, including training	Risk	n.a.	Short-term	Own operations	Allegations and cases of corruption or bribery could result in fines, criminal penalties and civil damage claims against adidas, its managers or employees, as well as reputational damage to the company. Allegations or cases of corruption or bribery might involve our business partners or suppliers and their respective employees, or agents acting on behalf of adidas.
Incidents	Negative Impact	Actual	n.a.	Upstream, own operations, downstream	Unfair market practices, such as biased partner selection and inconsistent commercial terms (payment, price, delivery, etc.), might negatively impact business partners who have not been given a chance to present their products or services. This exclusion can lead to missed opportunities, reduced market presence, reputational damage, and financial challenges.

Impact, risk and opportunity management

G1-1 – Business conduct policies and corporate culture

We consider compliance with the law as well as with external and internal regulations to be imperative. The Executive Board sets the tone from the top, and every employee is required to act ethically and in compliance with the law as well as with internal and other external regulations while executing the company's business. Our Fair Play Code of Conduct establishes high ethical standards that we are committed to upholding. adidas Fair Play aims to prevent a majority of potential compliance issues. For that reason, we have specific measures to detect and respond to any concerns. We realize, however, that no compliance system can prevent all violations.

Alongside our Fair Play Code of Conduct, we implement our approach to corporate culture based, inter alia, on the policies and concepts described below:

G1-1 – Policies related to business conduct

Policies[1]	Content	Scope	Senior level responsible	Third-party standards/ initiatives	Stakeholder consideration	Availability
Fair Play Code of Conduct (C, PW, PD)	Stipulates that every employee and our business partners shall act ethically in compliance with the laws and regulations of the legal systems where they conduct company business and provides guidance on issues including anti-corruption, anti-bribery, and whistleblowing.	Own operations (all employees globally)	Executive Board	n.a.	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Compliance Policy (C, PW, PD, I)	Defines i.a., adidas' global stance on anti-bribery and anti-corruption, gifts and entertainment, fraud and theft, antitrust and competition law, conflicts of interest and non-retaliation. It provides procedures for policy violations, including the Fair Play Code of Conduct.	Own operations	CCO	OECD Principles of Corporate Governance, OECD MNE Guidelines, UN Convention against Corruption, Anti-Bribery Convention and Anti-Bribery Management Systems, IDW PS 980	adidas AG Executive Board and Supervisory Board, Works Council	Accessible on corporate website
Global Training Policy (PD)	Outlines adidas' approach to training and its expectation that employees complete all mandatory trainings. Monitored through the Learning Management System (LMS).	Own operations (all employees with regular access to the LMS globally)	Executive Board member Global Human Resources, People and Culture	n.a.	n.a.	Available for all employees
Responsible Sourcing & Purchasing Policy (M)	Defines adidas' approach to responsible sourcing and purchasing practices. It ensures that sourcing and purchasing decisions, and other supporting processes, do not impede or conflict with the fulfillment of the adidas Workplace Standards.	Own operations, upstream	SVP Product Development & Sourcing, VP Social & Environmental Affairs	n.a.	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers
Global Non-Trade Procurement Policy (M)	Outlines the global non-trade procurement (GNTP) processes, roles, and responsibilities when purchasing indirect/non-trade goods or services or engaging with third-party suppliers in scope of GNTP on behalf of adidas.	Own operations, upstream, downstream	SVP Global Non-Trade Procurement	n.a.	Direct consultation with stakeholders	Available for all employees
Workplace Standards (M)	Set contractually binding requirements applicable for our suppliers' factories, covering health and safety, labor rights and environmental protection.	Upstream (incl. suppliers, licensees, sub-contractors)	VP Social & Environmental Affairs	ILO conventions, model code of conduct of the WFSGI	Direct consultation with labor rights groups	Accessible on corporate website and directly shared with suppliers
Human Rights Policy (C)	Defines our commitment to respect human rights and safeguard the environment, alongside the measures implemented to fulfill our Human Rights & Environmental Due Diligence (HREDD) responsibilities.	Own operations, upstream (incl. suppliers, licensees, sub-contractors)	Executive Board and CHRO	UNGPs, OECD MNE Guidelines, International Bill of Human Rights, ILO Declaration	Direct consultation with stakeholders	Accessible on corporate website and directly shared with suppliers

1 Material matters addressed by policies and guidelines are abbreviated as follows:
C – Corporate Culture
PW – Protection of Whistleblowers
M – Management of Relationship with Suppliers
PD – Prevention and Detection
I – Incidents

Compliance Management System (adidas Fair Play)

Our Compliance Management System (CMS) is linked to both the company's risk and opportunity management system and our set of internal controls and is overseen by the adidas Chief Compliance Officer (CCO). As part of our global Fair Play concept, the CMS establishes the organizational framework for company-wide awareness of our internal rules and guidelines and for the legally compliant conduct of our business. It underscores our strong commitment to ethical and fair behavior in our own organization and also sets the parameters for how we deal with others.

The adidas CMS is based on the OECD Principles of Corporate Governance and complies with the OECD Guidelines for Multinational Enterprises. It is designed to:

— support the achievement of qualitative and sustainable growth through good corporate governance,

— reduce and mitigate the risk of financial losses or damage caused by non-compliant conduct,

— protect and further enhance the value and reputation of the company and its brand through compliant conduct, and

— support, together with the Employee Relations team, initiatives fighting harassment and discrimination.

The adidas Fair Play Code of Conduct is accessible on our website, includes guidelines for employee behavior in everyday work, and is applicable globally for all business areas.

▶ ADIDAS-GROUP.COM/CORPORATE GOVERNANCE

Our CMS is organized around three pillars: **prevent, detect**, and **respond.**

Prevent

The Compliance team regularly reviews and updates the CMS as necessary. The company's management shares compliance-related communication, and the Compliance department provides mandatory training to all corporate employees globally during onboarding and in regular, repeated cycles. The Compliance team and partners also provide targeted in-person compliance training, including non-corporate employees. Dedicated trainings cover, i.a., anti-corruption and anti-bribery topics, thereby ensuring training coverage of functions-at-risk with senior management and newly promoted or hired senior executives across the globe in order to further enhance the compliance 'tone from the top,' as well as the 'tone from the middle.'

The training is available both virtually (self-led course for corporate employees) and in-person, providing a foundational understanding of employee behavior and conduct. Completion rates are tracked and reported to the Audit Committee. In addition, our Regional Compliance Managers and Local Compliance Officers offer tailored training sessions for specific functions (e.g., anti-trust training for marketing and sales organization).

At adidas, we have a zero-tolerance policy against bribery and corruption. Every reported incident is investigated, and appropriate consequences are applied. We have identified that trade and non-trade procurement as well as brand partnerships pose a particularly increased risk for corruption and bribery. To mitigate these risks, we have established additional rules for brand partnerships, procurement of trade and non-trade goods/services, business partner due diligence, along with a continuously evolving internal control system.

Executive Board and Supervisory Board members are upskilled on our Fair Play Code of Conduct and compliance matters. This upskilling encompasses in particular:

— Their general duties as specified in the Articles of Association and Rules of Procedure of adidas AG (including those for the Supervisory Board committees and Executive Board business allocation plan).

— Regulation (EU) No 596/2014 (the 'Market Abuse Regulation') and associated responsibilities, such as insider trading, closed periods, and disclosure of managers transactions.

— The general legal framework, including German Stock Corporation Law and the German Corporate Governance Code.

The upskilling is part of their onboarding process. Additional training sessions are provided as necessary throughout their tenure.

To ensure clarity and consistency in our operations, we further rely on our comprehensive set of rules comprising mandatory standards for all employees. They are provided via the Global Policy Manual (GPM) platform to help employees understand:

— the framework defining Dos and Don'ts set by the company,

— the right contacts in our organization for content-related topics, and

— regular communication of new policies and policy updates.

The GPM platform contains information on policies that are categorized as must-read policies, which are applicable to all adidas employees. All employees must be familiar with these policies. Short policy-summaries are provided where no further training is available through the GPM platform.

Moreover, we communicate updates to existing policies via our intranet, and in addition, each policy owner is ultimately responsible to ensure communication and training of their policies to the relevant target audience. Such communication regularly includes emails to the respective target audience and may include dedicated Q&A sessions or other formats to familiarize them with the new rules.

Detect – The Fair Play whistleblowing procedures

To promote transparency and maintain high ethical standards, we encourage our employees, business partners, and customers to report any potential violations of law, ethics, or our Fair Play Code of Conduct to our Compliance department.

adidas has **whistleblowing procedures** in place, accessible to both internal and external stakeholders, to ensure timely detection of potential infringements of statutory regulations or internal guidelines. Employees can report compliance concerns internally to their supervisor, the CCO, Regional Compliance Managers or Local Compliance Officers, the relevant HR Manager, or, where applicable, the Works Council. Employees can also report externally via the independent, confidential Fair Play hotline and webform, which also allow for anonymous complaints. The Fair Play hotline and webform are available in multiple languages at all times worldwide, including the services of interpreters, if required. They are promoted digitally and with posters to reach all our locations around the world.

Since adidas AG is headquartered in Germany, the Fair Play whistleblower hotline and webform comply with the German Whistleblower Protection Act (‘Hinweisgeberschutzgesetz’) transposing Directive (EU) 2019/1937. Training regarding the whistleblowing system is part of the onboarding training and provided through various communication measures. Staff receiving the reports is regularly trained in case handling.

The adidas Fair Play Code of Conduct as well as our Compliance Policy (see above for both) and our Anti-Harassment and Anti-Discrimination Policy[47] state that any adidas employee who in good faith reports a reasonable suspicion of a (potential) compliance concern is protected against any form of retaliation, regardless of the validity of the suspicion. Conversely, any employee who retaliates or attempts to retaliate against a fellow employee who has reported or intends to report a suspected or actual compliance incident or other concern in good faith – including by pressuring or threatening the reporting employee – may be subject to disciplinary measures. Additionally, any employee found to have made a report with malicious intent may be subject to disciplinary measures. Reasonable measures to protect whistleblowers from retaliation will be decided on a case-by-case basis. This may include, among others, confidentiality assurance based on the need-to-know principle, use of external meeting facilities or secured

[47] Publicly accessible here: ▶ **ADIDAS-GROUP.COM/SUSTAINABILITY**

communication media, physical relocation or protection, involvement of public authorities, collaboration with Human Resources to avoid disciplinary action or other adverse employment consequences.

Respond

Appropriate and timely response to compliance violations is essential. The Compliance team leads all investigations in cooperation with an established team of Regional Compliance Managers and a global network of Local Compliance Officers, with further support from Employee Relations (ER) and HR. We track, monitor, and report potential incidents of non-compliance worldwide. Insights gained from the investigation of past violations are used to continuously improve the CMS. Where necessary, we react promptly to confirmed compliance violations, through appropriate and effective sanctions ranging from warnings to termination of employment contracts. Together with the Employee Relations organization, a key partner in many compliance matters, especially those related to harassment and discrimination or other HR-related matters, we use a case management tool allowing both Compliance and ER to effectively document and process cases as well as report on specific developments in more detail.

▶ SEE ESRS S1-17 – INCIDENTS, COMPLAINTS, AND SEVERE HUMAN RIGHTS IMPACTS
▶ SEE ESRS S1-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKERS TO RAISE CONCERNS
▶ SEE ESRS S2-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS
▶ SEE ESRS S3-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR AFFECTED COMMUNITIES TO RAISE CONCERNS
▶ SEE ESRS S4-3 – PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

The CCO regularly reports to the Executive Board on the further development of the CMS and on major compliance cases. In addition, the CCO reports to the Audit Committee on a regular basis.

G1-2 – Management of relationships with suppliers

Supplier management is a fundamental aspect of adidas success as we have outsourced the vast majority of the production of our products to independent manufacturing partners (trade-related supplier services), located mainly in Asia. Additionally, we have non-trade-related supplier services that support our operations but are not directly tied to product manufacturing (such as logistics services, media and marketing services, office supplies, consumer event services or store constructions etc.). With regard to all of our suppliers, the highest scored material impacts, risks and opportunities include human rights as well as environmental impacts and mainly occur in our upstream value chain and to a lesser extent in our downstream value chain.

▶ SEE ESRS S2 – WORKERS IN THE VALUE CHAIN ▶ SEE ESRS S3 – AFFECTED COMMUNITIES ▶ SEE ESRS E1 – CLIMATE CHANGE
▶ SEE ESRS E5 – RESOURCE USE AND CIRCULAR ECONOMY

Consequently, our human rights and environmental due diligence (HREDD) system encompasses our sourcing activities, as well as additional functions within our own operations, including Global Brands, Global Non-Trade Procurement, and Human Resources. Our HREDD framework guides internal risk assessment and risk management processes in accordance with the United Nations Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises, operationalizes our Human Rights Policy commitments, and meets other regulatory obligations including the German Supply Chain Due Diligence Act. Accountability for HREDD is assigned at a functional level, along with established internal risk assessment and reporting procedures.

The assurance and risk mitigation activities associated with our HREDD systems support the company in fulfilling its legal obligations, reducing the risks of penalties for non-conformance with relevant laws. More importantly, it fulfills adidas' Human Rights Policy commitment to:

— Take measures, based on due diligence processes, to avoid causing or contributing to adverse human rights impacts through our own activities, and to address and remediate such impacts when they occur.

— Seek to prevent or mitigate adverse human rights impacts that are linked to our operations, products, or services by our business relationships, even if adidas has not contributed to those impacts.

— Exercise our leverage, and increase such leverage, where necessary, to address adverse human rights impacts arising out of our business relationships.

Trade-related supplier management

Our global supply chain extends through various tiers, with many diverse types of business partners, including directly contracted suppliers, as well as indirect relationships managed through intermediaries, licensee, and agents.

While we provide our manufacturing partners with detailed specifications for production and delivery, they possess expertise in cost-efficient, high-volume production of footwear, apparel, and accessories.

In 2025, we worked with 123 independent manufacturing partners (2024: 124) that were producing in 279 manufacturing facilities (2024: 283). The majority (78%) of our independent manufacturing partners is located in Asia (2024: 78%). We value long-term relationships: 65% of our independent manufacturing partners have worked with adidas for at least ten years (2024: 68%), and 37% have a tenure of more than 20 years (2024: 37%).

Relationship with independent manufacturing partners

	Footwear		Apparel		Accessories		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Number of independent manufacturing partners[1]	**29**	**30**	**67**	**67**	**36**	**36**	**123**	**124**
Relationship < 10 years	38%	40%	34%	28%	28%	28%	35%	32%
Relationship 10 – 20 years	24%	23%	30%	34%	31%	31%	28%	31%
Relationship > 20 years	38%	37%	36%	37%	41%	42%	37%	37%

1 Includes one independent manufacturing partner who produces both footwear and apparel, one independent manufacturing partner who produces both footwear and accessories, five independent manufacturing partners who produce both apparel and accessories, and one independent manufacturing partner who produces footwear, apparel, and accessories.

We have established the Responsible Sourcing & Purchasing Policy, which defines our approach to responsible sourcing and purchasing practices within ten buyer commitments we make to our suppliers. One important commitment is on fair terms of payment, including making on-time payment within agreed timeframes. Other commitments include building long-term partnerships with supply chain partners who share our values and commitment, e.g., to the adidas Workplace Standards. The ten buyer commitments were integrated into the adidas Responsible Sourcing & Purchasing Practices Policy in 2021. Since 2019, we have also been a member of the Better Buying Institute, which allows us to collect anonymous feedback from our manufacturing partners and continuously refine our purchasing practices.

Non-trade-related supplier management

In 2025, we continued to embed our HREDD system across the business to identify and manage high-risk human rights issues. This includes the ongoing maturing of internal risk management procedures in the area of non-trade procurement, and the continued use of the EcoVadis sustainability assessments tool to evaluate the sustainability management systems of non-trade suppliers – both upstream and downstream – and, where required, engage prioritized partners on performance improvement plans.

adidas has a Global Non-Trade Procurement Policy that outlines and standardizes the Global Non-Trade Procurement (GNTP) processes and roles and responsibilities when purchasing indirect/non-trade goods or services or when engaging with third-party suppliers in the scope of GNTP on behalf of adidas. Its objective is to optimize budget usage, ensure efficient purchasing processes, enhance transparency, minimize legal risks and improve supplier performance. To provide services to adidas, suppliers must have their data registered in our main Enterprise Resource Planning (ERP) system before any purchases or invoice payments can be processed. adidas' standardized GNTP processes and policy thus create fair and equal opportunities as well as a stable business environment for all GNTP-related third-party suppliers, in particular for small and medium-sized enterprises that rely on contractual payments due to limited financial flexibility.

Social and ecological criteria in supplier selection

With our HREDD system, various supplier assessment tools, such as EcoVadis sustainability assessments, the Exiger legal compliance tool as well as our trade-related supplier selection practices, we believe we are well equipped to ensure that we select the right partner for the success of our business and to manage adverse impacts on human rights and on the environment. At the same time, these tools are also used to ensure that existing suppliers comply with human rights standards and environmental protections. In the case of unresolved severe or repeated non-compliances, adidas reserves the right to terminate the collaboration with the supplier.

Our Code of Conduct for suppliers, the Workplace Standards, are contractually binding requirements applicable to our suppliers' factories, covering health and safety, labor rights and environmental protection. They are also applicable to our non-trade-related suppliers, where relevant. The Workplace Standards draw from international law and the International Labour Organization (ILO) conventions and follow the Code of Conduct of the World Federation of the Sporting Goods Industry (WFSGI).

Supporting guidelines make the Workplace Standards understandable and provide additional guidance for our suppliers, to find effective solutions to workplace problems, including material risks and impacts such as occupational health and safety. These guidelines provide practical guidance on how to implement the Workplace Standards e.g., in a factory. The Guidelines on Employment Standards, together with the Guidelines on Health & Safety and Environment, remain our essential guidance for business partners on managing issues regarding labor conditions and workplace practices.

G1-3 – Prevention and detection of corruption and bribery

In line with our Fair Play Code of Conduct and our Compliance Policy, adidas strictly prohibits all acts of corruption and bribery, regardless of the identity or position of the parties involved: adidas does not and will not engage in bribery or corruption or any activities that could be perceived as such. This means that all employees must abstain from any acts of corruption or bribery, whether directly or indirectly via the means of any intermediaries.

As anti-corruption and anti-bribery are integral components of our CMS for detecting and addressing such cases, the established procedures (based on the three pillars Prevent, Detect, Respond) also apply to incidents of corruption and bribery. Detailed information on our CMS can also be found here:

▶ SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

Our commitment is further reinforced by our onboarding training on the Fair Play Code of Conduct that all employees are required to complete. Therefore, 100% of the corporate employees, which include the material functions at risk, are covered by the Fair Play Code of Conduct onboarding training. In addition, we offer comprehensive global training modules as well as specialized training on anti-bribery and anti-corruption topics by Regional Compliance Managers and Local Compliance Officers. Details on upskilling for

the Fair Play Code of Conduct and compliance matters for the Executive Board and Supervisory Board members can be found in the 'Prevent' section, which describes our CMS.

▶ SEE ESRS G1-1 – BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

We conduct trend analyses to ensure that we learn from cases, provide necessary interventions, and strengthen our internal processes to prevent any reoccurrences. Additionally, we continuously update our training programs to reflect lessons learned.

We empower our Compliance team to manage all cases, including allegations against senior leaders. Investigations are conducted with the highest level of professional skill, ensuring independence, including leveraging external resources where required.

The Compliance team is committed to conducting fair investigations with impartial investigators, ensuring that all parties involved are treated with respect. Any potential conflicts are managed promptly, and our CMS also includes built-in controls to restrict access of anyone who may be involved, including members of the Compliance team.

The Compliance team reports all cases of corruption and bribery to the CCO, the Executive Board, or the Supervisory Board/Audit Committee, as appropriate.

Metrics and targets

G1-4 – Incidents of corruption or bribery

There were no convictions and no fines for violation of anti-corruption and anti-bribery laws in the reporting period.

We are constantly reviewing our procedures to prevent, detect, and combat allegations or incidents of corruption and bribery, including our procurement process.

Data on fines, penalties or convictions related to violations of anti-bribery and anti-corruption laws as well as any legal proceedings for late payments has been collected and confirmed by the Local Compliance Officers of each legal entity.

G1-6 – Payment practices

adidas values the relationship with all of its suppliers and aims for a balanced approach to meet market conditions with regard to payment terms for all its suppliers. Consequently, we do not have the capability to identify small- and medium-sized suppliers in our systems yet. In 2025 we continued our efforts to work on a solution. Until this is resolved and to still comply with ESRS requirements, we are working with the assumption to report the payment terms that more than half of our suppliers have, which should cover a significant portion of small- and medium-sized suppliers as well:

adidas' standard payment term is 60 days from the invoice receipt date, and 54% (2024: 51%) of our suppliers are aligned with these terms. These 54% are paid on average within 65 days (2024: 68 days), and 94% (2024: 92%) of the payments to these suppliers are processed on time.

Among our entire group of suppliers, there were zero cases of legal proceedings for late payments registered in 2025.



5 CONSOLIDATED FINANCIAL STATEMENTS

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Consolidated Statement of Financial Position

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	Note	Dec. 31, 2025	Dec. 31, 2024	Change
Assets				
Cash and cash equivalents	04	1,617	2,455	(34.1%)
Accounts receivable	05	2,634	2,413	9.2%
Other current financial assets	06	518	950	(45.4%)
Inventories	07	5,832	4,989	16.9%
Income tax receivables	34	167	101	66.1%
Other current assets	08	1,208	997	21.2%
Total current assets		**11,977**	**11,904**	**0.6%**
Property, plant, and equipment	09	1,973	2,133	(7.5%)
Right-of-use assets	10	2,605	2,779	(6.3%)
Goodwill	11	1,203	1,275	(5.7%)
Other intangible assets	12	443	426	3.9%
Long-term financial assets	13	353	340	3.6%
Other non-current financial assets	14	217	234	(7.2%)
Deferred tax assets	34	1,077	1,272	(15.4%)
Other non-current assets	15	415	291	42.5%
Total non-current assets		**8,285**	**8,751**	**(5.3%)**
Total assets		**20,262**	**20,655**	**(1.9%)**

adidas AG Consolidated Statement of Financial Position (IFRS) € in millions

	Note	Dec. 31, 2025	Dec. 31, 2024	Change
Liabilities and equity				
Short-term borrowings	16	645	570	13.3%
Accounts payable		2,910	3,096	(6.0%)
Current lease liabilities	19	603	607	(0.7%)
Other current financial liabilities	17	335	191	75.0%
Income taxes	34	357	334	6.9%
Other current provisions	18	1,208	1,538	(21.4%)
Current accrued liabilities	20	2,383	2,659	(10.4%)
Other current liabilities	21	652	598	8.9%
Total current liabilities		**9,094**	**9,593**	**(5.2%)**
Long-term borrowings	16	1,996	1,915	4.3%
Non-current lease liabilities	19	2,310	2,495	(7.4%)
Other non-current financial liabilities	22	7	1	413.9%
Pensions and similar obligations	23	106	144	(26.5%)
Deferred tax liabilities	34	45	133	(65.8%)
Other non-current provisions	18	436	353	23.6%
Other non-current liabilities	24	143	154	(7.0%)
Total non-current liabilities		**5,043**	**5,194**	**(2.9%)**
Share capital		179	179	0.1%
Reserves		(161)	522	n.a.
Retained earnings		5,758	4,775	20.6%
Shareholders' equity	**25**	**5,776**	**5,476**	**5.5%**
Non-controlling interests	27	349	392	(10.9%)
Total equity		**6,125**	**5,867**	**4.4%**
Total liabilities and equity		**20,262**	**20,655**	**(1.9%)**

The accompanying Notes are an integral part of these consolidated financial statements.

Consolidated Income Statement

adidas AG Consolidated Income Statement (IFRS) € in millions

	Note	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024	Change
Net sales	36	24,811	23,683	4.8%
Cost of sales		12,006	11,658	3.0%
Gross profit		**12,804**	**12,026**	**6.5%**
(% of net sales)		51.6%	50.8%	0.8pp
Royalty and commission income		81	81	(0.2%)
Other operating income	29	41	174	(76.6%)
Other operating expenses	09, 12, 30, 31	10,871	10,945	(0.7%)
(% of net sales)		43.8%	46.2%	(2.4pp)
Marketing and point-of-sale expenses		3,079	2,841	8.3%
(% of net sales)		12.4%	12.0%	0.4pp
Distribution and selling expenses		5,877	5,936	(1.0%)
(% of net sales)		23.7%	25.1%	(1.4pp)
General and administration expenses		1,885	2,138	(11.8%)
(% of net sales)		7.6%	9.0%	(1.4pp)
Sundry expenses		23	44	(47.4%)
(% of net sales)		0.1%	0.2%	(0.1pp)
Impairment losses/(gains) (net) on accounts receivable and contract assets		7	(15)	n.a.
Operating profit		**2,056**	**1,337**	**53.8%**
(% of net sales)		8.3%	5.6%	2.6pp
Financial income	32	74	101	(26.6%)
Financial expenses	32	310	317	(2.0%)
Income before taxes		**1,820**	**1,121**	**62.3%**
(% of net sales)		7.3%	4.7%	2.6pp
Income taxes	34	443	297	49.0%
(% of income before taxes)		24.3%	26.5%	(2.2pp)
Net income from continuing operations		**1,377**	**824**	**67.2%**
(% of net sales)		5.6%	3.5%	2.1pp
Gain from discontinued operations, net of tax	03	8	8	1.7%
Net income		**1,385**	**832**	**66.6%**
(% of net sales)		5.6%	3.5%	2.1pp
Net income attributable to shareholders		**1,340**	**764**	**75.4%**
(% of net sales)		5.4%	3.2%	2.2pp
Net income attributable to non-controlling interests		**45**	**68**	**(33.6%)**
Basic earnings per share from continuing operations (in €)	**35**	**7.46**	**4.24**	**76.2%**
Diluted earnings per share from continuing operations (in €)	**35**	**7.46**	**4.24**	**76.2%**
Basic earnings per share from continuing and discontinued operations (in €)	**35**	**7.51**	**4.28**	**75.4%**
Diluted earnings per share from continuing and discontinued operations (in €)	**35**	**7.51**	**4.28**	**75.4%**

The accompanying Notes are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

adidas AG Consolidated Statement of Comprehensive Income (IFRS) € in millions

	Note	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Net income		**1,385**	**832**
Items of other comprehensive income that will not be reclassified subsequently to profit or loss			
Remeasurements of defined benefit plans (IAS 19), net of tax[1]	23	22	(2)
Net (loss)/gain on other equity investments (IFRS 9), net of tax	28	(60)	1
Subtotal of items of other comprehensive income that will not be reclassified subsequently to profit or loss		**(38)**	**(2)**
Items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met			
Net (loss)/gain on cash flow hedges and net foreign investment hedges, net of tax	28	(320)	156
Net (loss)/gain on cost of hedging reserve – options, net of tax	28	(1)	1
Net gain on cost of hedging reserve – forward contracts, net of tax	28	12	11
Currency translation differences		(391)	117
Subtotal of items of other comprehensive income that will be reclassified to profit or loss when specific conditions are met		**(700)**	**285**
Other comprehensive income		**(738)**	**283**
Total comprehensive income		**647**	**1,115**
Attributable to shareholders of adidas AG		648	1,023
Attributable to non-controlling interests		(1)	92

1 Includes actuarial gains or losses relating to defined benefit obligations, return on plan assets (excluding interest income), and the asset ceiling effect.

The accompanying Notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

adidas AG Consolidated Statement of Changes in Equity (IFRS) € in millions

	Note	Share capital	Capital reserve	Cumulative currency translation differences	Hedging reserve	Cost of hedging reserve – options	Cost of hedging reserve – forward contracts	Other reserves	Retained earnings	Share-holders' equity	Non-controlling interests	Total equity
Balance at December 31, 2023		**179**	**1,355**	**(750)**	**(217)**	**(2)**	**(2)**	**(126)**	**4,145**	**4,580**	**345**	**4,925**
Other comprehensive income		–	–	93	156	1	11	(2)	–	258	24	283
Net income		–	–	–	–	–	–	–	764	764	68	832
Total comprehensive income		**–**	–	**93**	**156**	**1**	**11**	**(2)**	**764**	**1,023**	**92**	**1,115**
Repurchase of adidas AG shares due to equity-settled share-based payment	25	(0)	–	–	–	–	–	–	(28)	(28)	–	(28)
Reissuance of treasury shares due to equity-settled share-based payment	25	0	–	–	–	–	–	–	28	28	–	28
Dividend payment		–	–	–	–	–	–	–	(125)	(125)	(40)	(165)
Equity-settled share-based payment	26	–	12	–	–	–	–	–	(8)	5	–	5
Acquisition of shares from non-controlling interests shareholders in accordance with IAS 32		–	–	(0)	–	–	–	(6)	–	(6)	(6)	(12)
Balance at December 31, 2024/January 1, 2025		**179**	**1,367**	**(657)**	**(61)**	**(1)**	**8**	**(134)**	**4,775**	**5,476**	**392**	**5,867**
Other comprehensive income		–	–	(346)	(320)	(1)	12	(38)	–	(692)	(45)	(738)
Net income		–	–	–	–	–	–	–	1,340	1,340	45	1,385
Total comprehensive income		**–**	**–**	**(346)**	**(320)**	**(1)**	**12**	**(38)**	**1,340**	**648**	**(1)**	**647**
Repurchase of adidas AG shares due to equity-settled share-based payment	25	(0)	–	–	–	–	–	–	(43)	(43)	–	(43)
Reissuance of treasury shares due to equity-settled share-based payment	25	0	–	–	–	–	–	–	43	43	–	43
Dividend payment		–	–	–	–	–	–	–	(357)	(357)	(42)	(399)
Equity-settled share-based payment	26	–	9	–	–	–	–	–	0	9	–	9
Balance at December 31, 2025		**179**	**1,376**	**(1,003)**	**(381)**	**(2)**	**21**	**(172)**	**5,758**	**5,776**	**349**	**6,125**

The accompanying Notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

adidas AG Consolidated Statement of Cash Flows (IFRS) € in millions

	Note	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Operating activities:			
Income before taxes		1,820	1,121
Adjustments for:			
Depreciation, amortization, and impairment losses	09, 10, 11, 12, 30	1,154	1,208
Reversals of impairment losses	09, 10, 30	(19)	(28)
Interest income	32	(58)	(57)
Interest expense	32	227	221
Unrealized foreign exchange losses/(gains), net		24	(19)
Losses on sale of property, plant, and equipment and intangible assets, net		20	17
Other non-cash effects from operating activities	29, 30	22	(10)
Cash flows from operating activities before working capital changes		**3,190**	**2,453**
Change in receivables and other assets		(562)	(839)
Change in inventories		(1,104)	(500)
Change in accounts payable and other liabilities		(377)	2,024
Cash flows from operating activities before taxes		**1,147**	**3,138**
Income taxes paid		(399)	(236)
IAS 29 - Hyperinflation effects in operating cash flow		3	9
Cash flows from operating activities		**751**	**2,910**
Investing activities:			
Purchase of other intangible assets	12	(114)	(121)
Purchase of property, plant, and equipment	09	(363)	(419)
Proceeds from sale of property, plant, and equipment		4	49
Proceeds from sale of a disposal group from prior years	03	100	100
Change in short-term financial assets		—	28
Change in investments and other long-term assets		(88)	(50)
Interest received		58	57
Cash flows from investing activities		**(404)**	**(356)**
Financing activities:			
Repayment of eurobonds	16	(500)	(500)
Proceeds from issuance of bonds	16	498	—
Interest paid		(220)	(217)
Repayments of lease liabilities	19	(643)	(656)
Dividend paid to shareholders of adidas AG	25	(357)	(125)
Dividend paid to non-controlling interest shareholders	27	(42)	(40)
Repurchase of treasury shares due to share-based payments	26	(43)	(35)
Proceeds from reissuance of treasury shares due to share-based payments	26	39	24
Change in short-term borrowings	16	166	3
Acquisition of non-controlling interests	27	—	(12)
Cash flow from financing activities		**(1,103)**	**(1,559)**
Sum of cash flows		**(755)**	**995**
Effect of exchange rates on cash		(82)	29
Change in cash and cash equivalents		**(838)**	**1,024**
Cash and cash equivalents at beginning of year	04	2,455	1,431
Cash and cash equivalents at end of period	**04**	**1,617**	**2,455**

The accompanying Notes are an integral part of these consolidated financial statements.

Notes

adidas AG is a listed German stock corporation and parent of the adidas Group located at Adi-Dassler-Str. 1, 91074 Herzogenaurach, Germany, and is entered into the commercial register at the Local Court of Fürth (HRB 3868). adidas AG and its subsidiaries (collectively 'adidas,' 'the Group,' or 'the company') design, develop, produce, and market a broad range of athletic and sports lifestyle products.

01 General

The consolidated financial statements of adidas AG as at December 31, 2025, comprise adidas AG and its subsidiaries and are prepared in compliance with IFRS Accounting Standards, as endorsed by the European Union (EU) as at December 31, 2025, and the additional requirements pursuant to § 315e section 1 German Commercial Code (Handelsgesetzbuch – HGB).

The following amendments to existing standards and interpretations are effective for financial years beginning on January 1, 2025, and have been applied for the first time to these consolidated financial statements:

— **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – 'Lack of Exchangeability' (effective date: January 1, 2025):** In August 2023, the International Accounting Standards Board (IASB) issued 'Lack of Exchangeability' that amended IAS 21. IAS 21 sets out the requirements for determining the exchange rate to be used for recording a foreign currency transaction into the functional currency and translating a foreign operation into a different currency. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how to determine the exchange rate when it is not. The amendments had no impact on the consolidated financial statements.

New standards and interpretations as well as amendments to existing standards and interpretations are usually not applied by adidas before the EU effective date.

The following new standards and interpretations and amendments to existing standards and interpretations issued by the IASB, endorsed by the EU, and which are effective for financial years beginning after January 1, 2025, have not been applied in preparing these consolidated financial statements:

— **Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' – 'Classification and Measurement of Financial Instruments' (effective date: January 1, 2026)**: On May 30, 2024, the IASB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities to:

- clarify the date of recognition and derecognition of financial assets and liabilities, with a new exception for financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset with environmental, social and corporate governance and similar features meets the solely payments of principal and interest (SPPI) criterion;
- clarify what constitutes 'non-recourse features' and what are the characteristics of contractually linked instruments; and

- add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to the achievement of environment, social, and governance targets) and new disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

The amendments are effective for annual periods starting on or after January 1, 2026 with early adoption permitted for classification of financial assets and related disclosures only. The amendments are not expected to have a material effect on the consolidated financial statements of adidas.

— **Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' – 'Contracts Referencing Nature-dependent Electricity' (effective date: January 1, 2026)**: In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity, which apply only to contracts that reference nature-dependent electricity. The amendments:

- clarify the application of the 'own-use' requirements for in-scope contracts;
- permit hedge accounting if these contracts are used as hedging instruments; and
- add new disclosure requirements to enable investors to understand the effect of these contracts on a company's financial performance and cash flows.

The amendments will take effect for annual reporting periods starting on or after 1 January, 2026. The amendments concerning the own-use exception are to be applied retrospectively, while the hedge accounting amendments should be applied prospectively to new hedging relationships designated from the initial application date. Additionally, the IFRS 7 disclosure amendments must be implemented alongside the IFRS 9 amendments. If an entity does not restate comparative information, it cannot present comparative disclosures. The amendments are not expected to have an impact on the consolidated financial statements of adidas.

— **Annual Improvements to IFRS Accounting Standards – Volume 11 (effective date: January 1, 2026):** In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS Accounting Standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in the following: IFRS 1 'First-time Adoption of International Financial Reporting Standards,' IFRS 7 'Financial instruments: Disclosure' and its accompanying Guidance on implementing IFRS 7, IFRS 9 'Financial Instruments,' IFRS 10 'Consolidated Financial Statements,' and IAS 7 'Statements of Cash Flows.' The amendments will be effective for reporting periods beginning on or after 1 January, 2026, with early application permitted. The amendments are not expected to have a material impact on the consolidated financial statements of adidas.

— **IFRS 18 'Presentation and Disclosure in Financial Statements' (effective date: January 1, 2027):** IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing, and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes.

The standard requires disclosure of management-defined performance measures (MPMs) and includes new requirements for aggregation and disaggregation of financial information based on the identified roles of the primary financial statements and the notes.

In addition, narrow-scope amendments have been made to IAS 7 'Statement of Cash Flows', which include changing the starting point under the indirect method, from 'profit or loss' to 'operating profit or loss,' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

The group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026, will be restated in accordance with IFRS 18.

The initial expected impacts on consolidated financial statements of adidas are as follows:

- Introduction of new subtotals within the income statement.
- Foreign exchange differences will be classified in the category where the related income and expense from the item that gave rise to the foreign exchange difference are reported.
- New disclosures will be added: (a) management-defined performance measures; (b) specified expense by nature if expenses are presented by function in the operating category of the statement of profit or loss; and (c) a reconciliation for each line item in the statement of profit or loss between the restated amounts presented applying IFRS 18 and the amounts previously presented applying IAS 1.

The following new standards and interpretations as well as amendments to existing standards and interpretations were issued by the IASB. These are not yet endorsed by the EU and hence have not been applied in preparing these consolidated financial statements:

— **IFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective date: January 1, 2027):** Issued in May 2024, IFRS 19 allows for certain eligible subsidiaries of parent entities that report under IFRS Accounting Standards to apply reduced disclosure requirements. IFRS 19 will become effective for reporting periods beginning on or after January 1, 2027, with early application permitted. The amendments will have no impact on the consolidated financial statements of adidas.

— **Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – 'Translation to a Hyperinflationary Presentation Currency' (effective date: January 1, 2027):** Issued on 13 November, 2025, amendments clarify the accounting applied by a parent, whose functional currency is the currency of a hyperinflationary economy, when it consolidates a subsidiary, whose functional currency is the currency of a non-hyperinflationary economy. The amendments are effective for annual reporting periods beginning on or after 1 January, 2027. The amendments will have no impact on the consolidated financial statements of adidas.

The consolidated financial statements have in principle been prepared on the historical cost basis except for certain items in the statement of financial position, such as certain originated financial instruments, derivative financial instruments, and plan assets, which are measured at fair value.

The consolidated financial statements are presented in euros (€), and unless otherwise stated, all values are presented in millions of euros (€ in millions). Due to rounding principles, numbers presented may not exactly sum up to totals provided. This can also lead to individual amounts rounded to zero.

02 Summary of material accounting policies

The consolidated financial statements are prepared in accordance with the consolidation, accounting, and valuation principles described below.

Principles of consolidation

The consolidated financial statements include the financial statements of adidas AG and all its direct and indirect subsidiaries, which are prepared in accordance with uniform accounting principles. An entity is considered a subsidiary if it is controlled by adidas AG. Control exists when adidas is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

adidas has the power to approve key financial and operational targets as well as the organizational structure of Agron, Inc., Los Angeles, California (USA). adidas has the right to, and is exposed to, the returns from its contractual business relations with Agron, Inc., which are dependent on the level of its net sales and overall profitability. adidas has the ability to directly influence the amount of these variable returns and consequently has control over Agron, Inc. As adidas holds no equity interests of Agron, Inc., both net assets as well as income and expenses are attributable entirely to the non-controlling interest.

The number of consolidated subsidiaries developed as follows in 2025 and 2024, respectively:

Number of consolidated subsidiaries

	2025	2024
January 1	**108**	**109**
First-time consolidated subsidiaries	4	1
Thereof: newly founded	4	1
Deconsolidated/divested subsidiaries	—	(1)
Intercompany mergers	(1)	(1)
December 31	**111**	**108**

The subsidiaries are held either directly by adidas AG or indirectly via the two holding companies adidas Beteiligungsgesellschaft mbH in Germany or adidas International B.V. in the Netherlands.

A schedule of the shareholdings of adidas AG is shown in the Shareholdings list attached to the Notes to the consolidated financial statements. This schedule comprises information about the company name and domicile of all consolidated subsidiaries, as well as the respective share held in the capital of these subsidiaries. Furthermore, a schedule of the shareholdings of adidas AG is published on the German Company Register.

▶ SEE SHAREHOLDINGS

The financial effects of intercompany transactions as well as any unrealized gains and losses arising from intercompany business relations are eliminated in preparing the consolidated financial statements.

Principles of measurement

The following table includes an overview of selected subsequent measurement principles used in the preparation of the consolidated financial statements.

Overview of selected subsequent measurement principles

	Subsequent measurement principle
Assets	
Cash and cash equivalents	Amortized cost
Cash and cash equivalents (investments in certain money market funds)	Fair value through profit or loss
Accounts receivable	Amortized cost
Inventories	Lower of cost and net realizable value
Property, plant, and equipment	Amortized cost
Right-of-use assets	Amortized cost
Goodwill	Impairment-only approach
Intangible assets (except goodwill):	
With definite useful life	Amortized cost
With indefinite useful life	Impairment-only approach
Financial assets	See separate table
Liabilities	
Borrowings	Amortized cost
Accounts payable	Amortized cost
Liabilities/provisions for cash-settled share-based payment arrangements	Fair value through profit or loss
Derivatives not used in hedge accounting	Fair value through profit or loss
Derivatives used in hedge accounting	Fair value through other comprehensive income
Other financial liabilities	Amortized cost
Provisions:	
Pensions	Projected unit credit method
Other provisions	Expected settlement amount
Accrued liabilities	Amortized cost
Lease liabilities	Amortized cost

Financial assets are classified and measured according to IFRS 9. All purchases and sales of financial assets, with the exception of trade receivables, are recognized on the trade date and initially measured at fair value. At initial recognition, trade receivables that do not have a significant financing component are measured at their transaction price. Subsequently, a financial asset is measured at amortized cost, fair value through other comprehensive income (debt instrument), fair value through other comprehensive income (equity instrument), or fair value through profit or loss.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at fair value through profit or loss: the financial asset is held within a business model whose objective is to hold assets to collect contractual cash flows (business model ‘Hold to collect’); and the financial asset’s contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets (business model 'Hold to collect and sell'); and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

In principle, all investments in equity instruments are measured at fair value through profit or loss. At initial recognition, an entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value of an investment in an equity instrument that is neither held for trading nor a contingent consideration acquired by a purchaser in a business combination. This election is made on an investment-by-investment basis.

All financial assets, which are not classified as measured at amortized cost or at fair value through other comprehensive income as described above, are measured at fair value through profit or loss.

Financial assets are only reclassified when the business model for managing financial assets is changed, in which case all affected financial assets are reclassified.

The subsequent measurement of financial assets is as follows:

Overview of financial asset subsequent measurement principles according to IFRS 9

IFRS 9 category	Subsequent measurement principle	Subsequent measurement
Fair value through profit or loss	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.	Fair value through profit or loss
Amortized cost	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.	Amortized cost
Fair value through other comprehensive income (debt instrument)	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, accumulated gains and losses are reclassified to profit or loss.	Fair value through other comprehensive income
Fair value through other comprehensive income (equity instrument)	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.	Fair value through other comprehensive income

Financial liabilities are recognized when adidas becomes a party to the contractual provisions that gives rise to the financial liability. All financial liabilities are initially recognized at fair value.

For subsequent measurement, financial liabilities are classified either as financial liabilities measured at fair value through profit or loss, or as financial liabilities measured at amortized cost. Financial liabilities at fair value through profit or loss include, in particular, derivative financial instruments not designated as hedging instruments in hedging relationships in accordance with IFRS 9.

Transaction costs that are directly attributable to the issue of financial liabilities that are not measured at fair value through profit or loss reduce the fair value of the financial liability on initial recognition.

Currency translation

The consolidated financial statements are presented in euros (€), which is also the parent company's functional currency. For each entity, the Group determines the functional currency.

Transactions in foreign currencies are initially recorded in the respective functional currency by applying the spot exchange rate valid at the transaction date to the foreign currency amount.

In the individual financial statements of subsidiaries, monetary items denominated in non-functional currencies of the subsidiaries are generally translated into the functional currency at closing exchange rates at the balance sheet date. The resulting currency gains and losses are recognized directly in profit or loss.

This excludes monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognized in other comprehensive income (OCI) until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Taxes resulting from these exchange differences are also recognized directly in other comprehensive income in accordance with IAS 12.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Assets and liabilities of the company's non-euro functional currency subsidiaries that are included in the consolidated financial statements are translated using closing exchange rates at the balance sheet date into the presentation currency, the euro. For practical reasons, revenues and expenses are translated at average rates for the period, which approximate the exchange rates on the transaction dates. The resulting exchange differences arising on consolidation are recognized in OCI.

A summary of exchange rates to the euro for major currencies in which the Group operates is as follows:

Exchange rates

€ 1 equals	Average rates for the year ending Dec. 31,		Spot rates at Dec. 31,	
	2025	2024	2025	2024
USD	1.1299	1.0819	1.1750	1.0389
GBP	0.8565	0.8477	0.8726	0.8292
JPY	169.0505	163.8378	184.0900	163.0600
CNY	8.1223	7.7983	8.1938	7.5966
MXN	21.6663	19.8283	21.1514	21.5948

Hyperinflation

To reflect changes in purchasing power at the balance sheet date, the carrying amounts of non-monetary assets and liabilities, shareholders' equity, and comprehensive income of subsidiaries in hyperinflationary economies are restated in terms of a measuring unit current at the balance sheet date. These are indexed using a general price index in accordance with IAS 29 'Financial Reporting in Hyperinflationary Economies.' In contrast, no restatement is required for monetary assets and liabilities carried at amounts current at the end of the balance sheet date because they represent money held, to be received, or to be paid.

▶ SEE NOTE 33

Gains and losses on the net monetary position are included in the financial result.

Non-monetary assets that have been restated following the guidance in IAS 29 are still subject to impairment assessment in accordance with the guidance in the relevant IFRS Accounting Standards.

Derivative financial instruments

adidas uses derivative financial instruments, such as currency options or option combinations, forward exchange contracts, and currency swaps, to hedge its exposure to foreign-exchange risks. In accordance with its Treasury Policy, the company does not enter into transactions with derivative financial instruments for trading purposes.

Derivative financial instruments are initially recognized in the statement of financial position at fair value and are subsequently also measured at their fair value. The method of recognizing the resulting gains or losses is dependent on the nature of the hedge. On the date a derivative contract is entered into, adidas designates derivatives as either a hedge of a forecast transaction (cash flow hedge) or a hedge of a net investment in a foreign operation. In applying cash flow hedge accounting, adidas designates the spot element of forward exchange contracts and the intrinsic value of currency options or of option combinations to hedge its currency risk and applies a hedge ratio of 1:1 (spot-to-spot designation). The forward element of forward exchange contracts and the time value component of currency options or of option combinations are excluded from the designation of the hedging instrument.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges or net investments that are effective as defined in IFRS 9 are recognized in equity.

adidas applies the 'cost of hedging' approach for dedicated cash flow hedges. Changes in the fair value of the time value component of currency options or of option combinations, as well as the forward element in forward exchange contracts, are separately accounted for as a cost of hedging and are recognized separately in equity as a cost of hedging reserve. When the effectiveness is not 100%, the ineffective portion of the change in the fair value is recognized in the consolidated income statement. Accumulated gains and losses in equity are transferred to the consolidated income statement in the same periods, during which the hedged forecast transaction affects the consolidated income statement.

Hedges of net investments in foreign entities are accounted for in a similar way to cash flow hedges. The effective currency gains and losses in the derivative and all gains and losses arising on the translation of the borrowing are recognized in equity with the exception of the cross-currency basis spread.

Certain derivative transactions, while providing effective economic hedges under the company's risk-management policies, do not qualify for hedge accounting under the specific rules of IFRS 9.

adidas documents the relationship between hedging instruments and hedge objects as well as the risk-management objectives and strategies for undertaking various hedge transactions at transaction inception.

This process includes linking all derivatives designated as hedge to specific firm commitments and forecast transactions. The economic relationship between the hedging instrument and hedged item is qualitatively and quantitatively ascertainable, and adidas judges the effectiveness of the hedging relationship by using generally accepted methods such as the hypothetical derivative method or the 'Dollar Offset Method.' In the case of foreign exchange forward contracts and plain-vanilla foreign currency options, ineffectiveness within hedge relationships typically results from changes in counterparty credit risk or from timing discrepancies between the hedging instrument and the underlying hedged item. For structured derivatives, however, systematic ineffectiveness relative to the hedged risk is expected due to nonlinear risk drivers embedded in the instrument – such as volatility or barrier dependencies – that are not present in the underlying exposure.

The fair values of currency options or of option combinations and forward exchange contracts are determined on the basis of market conditions on the reporting date. The fair value of a currency option or of option combinations is determined using generally accepted models. The fair value of an option is influenced not only by the remaining term of the option but also by additional factors, such as the actual foreign exchange rate and the volatility of the underlying foreign currency base. The company determines fair values taking the counterparty risk into consideration.

Cash and cash equivalents

Cash and cash equivalents represent cash at banks, cash on hand, and short-term deposits with maturities of three months or less from the date of acquisition, such as commercial papers and investments in money market funds.

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Cash equivalents can partly include investments in money market funds. Classification and measurement under IFRS 9 are performed based on the company's business model for managing these financial assets and the contractual cash flow characteristics. Investments in money market funds contain cash flows other than those of principal and interest on principal. As a result, those investments are measured at fair value through profit or loss.

Accounts receivable

A receivable is recognized if an amount of consideration that is unconditional is due from the customer (i.e., if only the passage of time is required before payment of that consideration is due). Accounts receivable that do not contain a significant financing component are recognized at the transaction price, which represents the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer. Subsequently, these are measured at amortized cost.

Other financial assets

Other financial assets are classified and measured under IFRS 9, based on the company's business model for managing these assets and the contractual cash flow characteristics. Those other financial assets that give rise to cash flows consisting only of payments of principal and interest and that are assigned to the business model 'Hold to collect' are measured at amortized cost. adidas mainly has security deposits and receivables from credit card companies that fall under this category.

Other financial assets that do not give rise to cash flows consisting solely of payments of principal and interest and that are assigned to the business model 'Hold' are measured at fair value through profit or loss. This category includes only securities to hedge long-term variable compensation components and is also applied to the same extent to securities to hedge long-term variable compensation components included in long-term financial assets.

Securities to hedge long-term variable compensation components are so-called 'total return swaps.' These are recognized in the balance sheet upon initial recognition and subsequently at fair value. At the time a derivative transaction is entered into, adidas classifies total return swaps as a hedging instrument of the underlying long-term variable compensation components. In this case, adidas designates the entire fair value as a hedge. Changes in the fair value that are designated and qualify as hedges and are determined to be effective in accordance with IFRS 9 are recognized in equity (hedging reserve).

At the end of the period, a reclassification is made from equity to the income statement in proportion to the increase in the provision for the long-term variable compensation components.

Upon conclusion of the transaction, adidas documents the relationship between the hedging instruments and the hedge objects as well as the risk management objectives and strategies of the hedging transactions. In this process, the total return swaps used as hedging instruments are linked to the respective long-term variable compensation components. The economic relationship between the hedging instrument and the hedged item can be determined qualitatively and quantitatively, and adidas assesses the effectiveness of the hedging relationships using recognized methods such as the hypothetical derivative method or the 'Dollar Offset Method.' Ineffectiveness is mainly expected to arise from changes in credit risk or from shifts in the timing of the hedged item.

The fair values are determined on the basis of market conditions at the balance sheet date. When determining the fair values, the company takes the counterparty risk into account.

The elimination of part of the originally planned long-term variable compensation components could lead to certain overhedge transactions. In this case, hedge accounting would be discontinued immediately in accordance with IFRS 9, and the fair value through profit or loss would be transferred from the hedging reserve to the income statement at the time the over-hedged status is identified. There was no overhedging in 2025.

Other financial assets, which are neither within the business model 'Hold to collect' nor within 'Hold to collect and sell,' are measured at fair value through profit or loss. This category mainly includes secured promissory notes and earn-out components.

Long-term financial assets

Long-term financial assets are distinguished between debt and equity instruments and classified according to IFRS 9 as follows:

Debt instruments are measured depending on the company's business model for managing financial assets and the contractual cash flows. Only financial assets that are held within the business model 'Hold to collect' with the objective to collect the contractual cash flows, which represent solely payments of principal and interest on the principal amount outstanding on a specific date, are measured at amortized cost. adidas classifies certain loans within this category. All other financial assets which do not fulfill one of these criteria are measured at fair value through profit or loss. adidas has no long-term financial assets in

the category fair value through comprehensive income (debt instrument) and shows loans which do not fulfill the contractual cash flow characteristics in the category fair value through profit or loss.
▶ SEE NOTE 13

Generally, all investments in equity instruments are measured at fair value through profit or loss, unless these investments represent investments that the company intends to hold for long-term strategic purposes, which are then designated as equity securities at fair value through other comprehensive income (equity).

The designation of certain equity instruments at fair value through other comprehensive income (equity) is based on a strategic management decision.

As mentioned in the previous section on other financial assets, securities used to hedge long-term variable compensation components are included in long-term financial assets.

Inventories

Finished goods and merchandise are valued at the lower of cost or net realizable value, which is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Costs are determined using a standard valuation method, the 'average cost method.' Costs of finished goods include the cost of direct materials and labor and the components of the manufacturing overheads that can be reasonably attributed to finished goods. The allocation of overheads is based on the planned average utilization. The net realizable value allowances are computed consistently throughout the company based on the age and expected future sales of the items on hand.
▶ SEE NOTE 07

Discontinued operations

A part of the adidas Group, whose operations and cash flows can be clearly distinguished operationally and for financial reporting purposes from the other operating businesses, is classified as a discontinued operation if the component has either been disposed of or is classified as held for sale, and:

— represents a separate major line of business or geographic area of operations,
— is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations, or
— is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the net income/loss from continuing operations and are presented as a single amount as gain/loss from discontinued operations, net of tax in the consolidated income statement. When an operation is classified as a discontinued operation, the comparative consolidated income statement and consolidated statement of cash flows are restated and presented as if the operation had been classified as such from the start of the comparative year.
▶ SEE NOTE 03

Property, plant, and equipment

Property, plant, and equipment are measured at amortized cost. This comprises all costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management less any accumulated depreciation and accumulated impairment losses. Depreciation is recognized for those assets, with the exception of land and construction in progress, over the estimated useful life utilizing the 'straight-line method' and taking into account any potential residual

value. Parts of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item are depreciated separately.

▶ SEE NOTE 09

Estimated useful lives are as follows:

Estimated useful lives of property, plant, and equipment

	Years
Land	indefinite
Buildings and leasehold improvements	20 – 50
Furniture and fixtures	3 – 5
Technical equipment and machinery as well as other equipment	2 – 20

Expenditure for repairs and maintenance is expensed as incurred. Renewals and improvements are capitalized and depreciated separately, if the recognition criteria are met.

Impairment losses on non-financial assets

If facts and circumstances indicate that non-current assets (e.g., property, plant, and equipment as well as intangible assets including goodwill and contract assets) might be impaired, the recoverable amount is determined. This is measured at the higher of fair value less costs of disposal (net disposal price) and value in use. Recoverable amount is determined on an individual asset level, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs. The fair value is measured at Level 3 according to IFRS 13 'Fair Value Measurement.'

An impairment loss is recognized in other operating expenses or reported in goodwill impairment losses if the carrying amount exceeds the recoverable amount.

The impairment test for goodwill is performed based on groups of cash-generating units, which represent the lowest level within the company at which goodwill is monitored for internal management purposes. If there is an impairment loss for a group of cash-generating units, then, first, the carrying amount of any goodwill allocated to the group of cash-generating units is reduced. Subsequently, provided that the recoverable amount is lower than the carrying amount, the other non-current assets of the group of cash-generating units are reduced pro rata on the basis of the carrying amount of each asset in the group of cash-generating units. In allocating an impairment loss, the carrying amount of an individual asset is not reduced below its fair value. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the cash-generating unit and groups of cash-generating units.

Irrespective of whether there is an impairment indication, intangible assets with an indefinite useful life, intangible assets not yet available for use and goodwill acquired in business combinations are tested annually on December 31 for impairment. In the case that indicators for impairment are present at any point in time other than on December 31, these assets are also tested for impairment at this point in time.

An impairment loss recognized in goodwill is not reversible. With respect to all other impaired assets, an impairment loss recognized in prior periods is only reversed such as it affects the consolidated income statement if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the

carrying amount that would have been determined (net of depreciation or amortization) if no impairment loss had been recognized.

Impairment losses on financial assets

Impairment losses for financial assets measured at amortized cost or at fair value through other comprehensive income (debt instrument) are recognized in accordance with IFRS 9 'Financial Instruments.' The standard requires that not only historical data but also future expectations and projections are taken into consideration when accounting for impairment losses ('expected credit loss' model).

adidas consistently applies the simplified approach and recognizes lifetime expected credit losses for all accounts receivable. In order to calculate a collective loss allowance, all accounts receivable sharing similar credit risk characteristics are allocated into several portfolios based on geographical regions and macroeconomic indicators. Historical payment and aging patterns for accounts receivable are analyzed individually for each of the portfolios to determine the probability of default, which is further adjusted by forward-looking factors derived primarily from the Credit Default Swap (CDS) spreads of the countries where adidas runs its operations. The adjusted probability of default is then applied in combination with a loss given default and exposure at default as a percentage rate to calculate the expected credit loss for each portfolio and aging bucket. The percentage rates are reviewed on a regular basis to ensure that they reflect the latest data on credit risk. In case objective evidence of credit impairment is observed for accounts receivable from a specific customer, a detailed analysis of the credit risk is performed, and an appropriate individual loss allowance is recognized for this customer. Accounts receivables are considered to be in default when it is expected that the debtor will not fulfill its credit obligations toward adidas. When there is no reasonable expectation of recovering an account receivable, such as in cases of insolvency, the receivable is written off entirely.

Cash and cash equivalents measured at amortized cost are subject to a general impairment approach under IFRS 9. adidas applies the low credit risk exemption for the majority of such instruments due to the low credit risk for these investments, which is based on the investment grade of their counterparties (defined by the company as equivalent of BBB+ or higher). A significant increase of credit risk is assumed for cash and cash equivalents when the instruments are more than 30 days past due. adidas monitors the credit risk associated with cash and cash equivalents taking into consideration the economic environment, external credit ratings, and/or CDS spreads of counterparty financial institutions, and using established exposure limits. Expected credit loss of cash and cash equivalents is calculated based on the probability of default and recovery rates derived from CDS spreads or external credit ratings of the counterparties. Cash and cash equivalents are considered to be in default when they are more than 90 days past due.

Other financial assets within the scope of IFRS 9 impairment analysis include mainly security deposits as well as accounts receivable from credit card companies. The credit risk associated with such financial assets is determined based on the economic environment, external credit ratings, and/or CDS spreads of counterparty financial institutions. Other financial assets are considered to be in default when they are more than 90 days past due.

Objective evidence that credit impairment of financial assets has occurred includes, for instance, significant financial difficulty of the debtor/issuer, indications of their potential bankruptcy, the deterioration of the market for their products, and general macroeconomic problems. The gross carrying amount of financial assets is written off when adidas, based on a case-by-case assessment, assumes that their recovery is no longer possible.

Impairment losses on accounts receivable are presented in the line item 'Impairment losses/gains (net) on accounts receivable and contract assets.'

Leases

adidas assesses whether a contract is or contains a lease according to IFRS 16 'Leases' at the inception of the contract. IFRS 16 defines a lease as a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration. A contract conveys the right to control the use of an identified asset if the lessee has the right to obtain substantially all the economic benefits from the use of the identified asset (e.g., by having the exclusive right to use the asset throughout that period) and the right to direct the use of the identified asset throughout the period of use.

In its role as a lessee, adidas leases various types of assets, particularly buildings (retail stores, offices, warehouses, etc.), land, technical equipment and machinery (warehouse equipment, production machines, etc.), motor vehicles, and computer hardware, as well as furniture and fixtures. Lease contracts are typically negotiated for fixed periods of up to 99 years but may include extension or termination options. Lease terms are negotiated individually and may contain a wide range of different terms and conditions.

adidas makes use of the recognition exemption in IFRS 16 to not recognize right-of-use assets and lease liabilities for leases of low-value assets (i.e., value of the underlying asset, when new, is € 5,000 or less) and short-term leases (shorter than twelve months and the agreement does not include a purchase option). Lease payments for low-value leases are recognized as expenses as they are incurred over the lease term.

Furthermore, adidas exercises the option for lessees to combine lease payments with payments for non-lease components in the calculation of the lease liability and right-of-use asset for all lease asset classes except for corporate real estate.

adidas recognizes a right-of-use asset and a corresponding lease liability at the lease commencement date. At the commencement date, adidas initially measures the lease liability at the present value of the lease payments that are not paid at that date. This includes fixed payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments based on an index or a rate, amounts expected to be payable by adidas under residual value guarantees, the exercise price of a purchase option if adidas is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. Other variable lease payments are excluded from the measurement of the lease liability. The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, adidas uses its incremental borrowing rate. Generally, adidas uses the incremental borrowing rate as the discount rate. It is adjusted to reflect the country-specific risk, the credit risk of adidas, collateral from the change in value of the leased asset, the contract currency-specific risk, and the lease term.

▶ SEE NOTE 10 ▶ SEE NOTE 19

After the commencement date, lease payments are split into redemption payments and interest payments. The lease liability is subsequently measured by increasing the carrying amount to reflect interest cost on the lease liability using the effective interest rate and reducing the carrying amount to reflect the lease payments made. The carrying amount of the lease liability is remeasured provided any reassessments/ lease modifications occur (including changes in the assessment of whether an extension or termination option is reasonably certain to be exercised).

At the commencement date, the right-of-use asset is initially measured at cost, which is comprised of the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received, any initial direct costs incurred by the lessee and an estimate of costs to be incurred by adidas in dismantling and removing the underlying asset, restoring the site on which it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use asset is subsequently measured at cost less any accumulated depreciation and impairment losses and adjusted for certain remeasurements of the lease liability.

In principle, the right-of-use asset is depreciated on a straight-line basis over the lease term or the useful life of the leased asset, whichever is shorter.

adidas applies judgment in determining the lease term for lease contracts including extension or termination options. The assessment of whether the options are reasonably certain to be exercised has an impact on the lease term and therefore may significantly affect the measurement of lease liabilities and right-of-use assets, respectively.

Lease contract renegotiations that result in changes to the original contractual conditions, e.g., changes in scope, consideration (including discounts and concessions), or lease term are treated as lease modifications. Depending on the circumstances of the renegotiation, either lease modifications are accounted for as a new separate contract, or they trigger a remeasurement of the lease liability using the discounted future lease payments. In the latter case, a corresponding adjustment is made to the right-of-use asset with, in some instances, a difference recognized in profit or loss.

Lease reassessments are the result of changes in assumptions or judgments, such as changes in lease term due to amended estimates surrounding existing extension and termination options. It is necessary to remeasure the lease liability using the discounted or existing future lease payments and make a corresponding adjustment to the right-of-use asset.

Goodwill

Goodwill is an asset representing the future economic benefits arising from assets acquired in a business combination that are not individually identified and separately recognized. This results when the purchase cost exceeds the fair value of acquired identifiable assets, liabilities, and contingent liabilities. Goodwill arising from the acquisition of a foreign entity and any fair value adjustments to the carrying amounts of assets received, liabilities, and contingent liabilities are treated as assets, liabilities, and contingent liabilities of the respective reporting entity, and are translated at exchange rates prevailing at the date of the initial consolidation.

Goodwill arising on the acquisition of subsidiaries is measured at cost less accumulated impairment losses (‘impairment-only’ approach).

▶ SEE NOTE 11

Goodwill is carried in the functional currency of the acquired foreign entity.

Intangible assets (except goodwill)

Intangible assets with definite useful lives are valued at amortized cost. Amortization is calculated on a straight-line basis over the estimated useful life, taking into account any potential residual value.

▶ SEE NOTE 12

Expenditure during the development phase of internally generated intangible assets is capitalized as incurred if it fulfills the recognition criteria under IAS 38 ‘Intangible Assets.’ Development costs for internally generated intangible assets are capitalized from the date on which the recognition criteria set out in IAS 38 'Intangible Assets' are first met. The capitalized development costs are amortized on a systematic basis from the day the intangible assets are available for use.

Estimated useful lives are as follows:

Estimated useful lives of intangible assets

	Years
Software	3 – 10
Patents and licenses	5 – 15

Research and development

Research costs are expensed in full as incurred. Development costs for internally generated intangible assets are also expensed as incurred if they do not meet the recognition criteria of IAS 38 'Intangible Assets.'

Borrowings and other liabilities

Borrowings (e.g., Eurobonds) and other liabilities are recognized at fair value net of transaction costs incurred. In subsequent periods, borrowings are stated at amortized cost using the 'effective interest method.' Any difference between proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the term of the borrowing.

Provisions and accrued liabilities

Provisions are recognized when there is a present obligation (legal or constructive) to third parties that has been incurred as a result of a past event, when the amount of the obligation can be estimated reliably and when it is probable that there will be an outflow of resources. In general, all provisions are uncertain as to their maturity or amount. The expense relating to a provision is presented in the consolidated income statement. Non-current provisions are discounted if the effect of the time value of money is material, with the interest expense being reported as financial expenses.

▶ SEE NOTE 18

Accrued liabilities are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced, or formally agreed with the supplier, including amounts due to employees. The uncertainty regarding amount or timing of accrued liabilities is generally much less than for provisions.

▶ SEE NOTE 20

Pensions and similar obligations

Provisions and expenses for pensions and similar obligations relate to the company's obligations for defined benefit and defined contribution plans. The obligations under defined benefit plans are determined separately for each plan by valuing the employee benefits accrued in return for their service during the current and prior periods. These benefit accruals are discounted to calculate their present value, and the fair value of any plan assets is deducted in order to determine the net liability. The discount rate is set on the basis of yields of high-quality fixed-rate corporate bonds at the balance sheet date provided there is a deep market for such corporate bonds in a given currency. Otherwise, government bond yields are used as a reference. Calculations are performed by qualified actuaries using the 'projected unit credit method' in accordance with IAS 19 Employee Benefits. Obligations for contributions to defined contribution plans are recognized as an expense in the consolidated income statement as incurred.

▶ SEE NOTE 23

Contingent liabilities

Contingent liabilities are possible obligations that arise from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of adidas. Additionally, contingent liabilities may be present obligations that arise from past events but that are not recognized because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognized in the consolidated statement of financial position but are disclosed and explained in the Notes.

▶ SEE NOTE 38

Treasury shares

When adidas AG shares are repurchased and recognized as treasury shares, the amount of the consideration paid, which includes directly attributable costs, net of any tax effects, is recognized as a deduction from equity. The nominal value of € 1 per treasury share is debited to share capital. Any premium or discount to the nominal value is shown as an adjustment to the retained earnings. If treasury shares are sold or reissued, the nominal value of the shares will be credited to share capital and the amount exceeding the nominal value will be added to the retained earnings.

Revenue

Revenue derived from the sale of goods is recognized when adidas has satisfied the respective performance obligation by transferring the promised goods to the customer. The goods are transferred at the point in time when the customer obtains control of the respective goods. The timing of the transfer of control depends on the individual terms of the sales agreement (terms of delivery).

The amount of revenue to be recognized is determined based on the consideration adidas expects to be entitled to in exchange for transferring the promised goods or services to the customer, taking into account returns, discounts, and rebates.

Payment for retail and e-commerce transactions is due when the goods are transferred to the customer. For wholesale transactions, payment terms applied correspond to the customary industry practice per country. Generally, payment is required within 30 to 90 days from the invoice date, in accordance with the contractual terms.

Under certain conditions and in accordance with contractual agreements, the company's customers have the right to return products and to either exchange them for similar or other products or to return the products against the issuance of a credit note. Amounts for estimated returns related to revenues are accrued based on past experience of average return rates and average actual return periods by means of a refund liability. The return assets are measured at the carrying amount of the inventories/products, less any handling costs and any potential impairment.

Provided that the customers meet certain predefined conditions, adidas grants its customers different types of globally aligned performance-based rebates. Examples include rebates for customers' increasing adidas product sales, for customer loyalty, and for sell-out support, e.g., through retail space/franchise store management. As soon as it is assumed that the customer fulfills the requirements for being granted the rebate, this amount is recognized as a sales deduction via an accrued liability for marketing and sales.

In addition, adidas generates revenue from the licensing-out of the right to use the brands to third parties. The resulting sales-based royalty and commission income is recognized based on the contract terms on an accrual basis, i.e., revenue is already realized even though the payment takes place at a later point in time.

Contracts with guaranteed minimum income result in contract assets and contract liabilities depending on the timing of yearly payments received from customers. The performance obligation related to these contract assets and liabilities is satisfied over the life of the contract, i.e., the guaranteed minimum income per year is evenly distributed over twelve months, whereby payments are recorded as arranged in the contract with the customer.

Advertising and promotional expenditure

Advance payments for media campaigns are included in prepaid expenses within other current and non-current assets until the services are received, and upon receipt are expensed in full. Significant costs for media campaigns are expensed on a straight-line basis over the intended duration of the media campaign.

Promotional expenses including one-time, upfront payments for promotion contracts are principally expensed on a straight-line basis over the term of the agreement.

Interest

Interest is recognized as income or expense as incurred using the ‘effective interest method’ with the exception of interest that is directly attributable to the acquisition, construction, or production of a qualifying asset. This interest is capitalized as part of the cost of the qualifying asset.

Interest paid is presented within the net cash used in financing activities.

Government grants

adidas receives government grants in the form of subsidies, subventions, or premiums from local, national, or international government authorities such as those of the Free State of Bavaria, the Federal Republic of Germany, and the European Union.

Government grants are recognized if there is adequate certainty that the grants will be received and that the company satisfies the conditions attached.

Government grants are reported in the consolidated income statement as a deduction from the related expenses.

Income taxes

Current income taxes are computed in accordance with the applicable taxation rules established in the countries in which adidas operates.

adidas computes deferred taxes for all temporary differences between the carrying amount and the tax base of its assets and liabilities as well as for tax loss carry-forwards. As it is not permitted to recognize a deferred tax liability for the initial recognition of goodwill, adidas does not compute any deferred taxes thereon.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets arising from deductible temporary differences and tax loss carry-forwards that exceed taxable temporary differences are only recognized to the extent that it is probable that the entity concerned will generate sufficient taxable income to realize the associated benefit. The carrying amount of deferred

tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Income tax is recognized in the consolidated income statement unless it relates to items recognized directly in equity, in which case it is recognized in equity. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

When there is uncertainty over income tax treatments, adidas recognizes and measures current or deferred tax assets or liabilities applying the requirements of IAS 12 and IFRIC 23. On a case-by-case basis, adidas determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments, depending on which approach better predicts the resolution of the uncertainty.

Where it is not considered probable that the tax authority will accept an uncertain tax treatment, adidas reflects the effects of the uncertainty by using one of the following methods, depending on which method better predicts the resolution of the uncertainty:

— the single most likely amount or
— the expected value based on the sum of the probability-weighted amounts.

In assessing whether and how an uncertain tax treatment affects the determination of taxable profits (tax losses), tax bases, unused tax losses, unused tax credits, and tax rates, adidas assumes that a taxation authority will examine amounts it has a right to examine and will have full knowledge of all relevant information when making those examinations.

▶ SEE NOTE 34

Share-based payment

The cost of equity-settled share-based payment transactions with employees is determined by the fair value at the grant date using an appropriate valuation model. That cost is recognized in personnel expenses, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest.

▶ SEE NOTE 26

Service-independent and non-market performance conditions are not taken into account when determining the fair value of awards at the grant date, but the likelihood of the conditions being met is assessed as part of the company's best estimate of the number of equity instruments that will ultimately vest. If the estimate is changed, even a credit in the consolidated income statement for the period can be possible, as it reflects the movement in cumulative expenses from the beginning to the end of that period.

No expense is recognized for awards that do not ultimately vest if non-market performance and/or service conditions have not been met.

Equity-settled share-based payment transactions with parties other than employees are generally measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payment transactions, the goods or services acquired, and the liability incurred are measured at the fair value of the liability. Until the liability is settled, the fair value of the liability is remeasured at the end of each reporting period and at the date of settlement, with all changes in fair value recognized in profit or loss for the period.

Estimation uncertainties and judgments

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of assumptions and estimates that affect reported amounts and related disclosures. Although such estimates are based on the best of our knowledge of current events and actions, actual results may ultimately differ from these estimates. In 2025, assumptions and estimates continued to be significantly impacted especially by the still increased macroeconomic and geopolitical challenges, which may particularly affect consumer demand as well as the sales and profit development in adidas' markets.

The key assumptions concerning further future and other key sources of estimation uncertainty at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are outlined in the respective Notes, which include in particular accounts receivable, inventories, right-of-use-assets, goodwill, other provisions, pensions, derivatives, and income taxes, as well as other financial commitments and contingencies.
▶ SEE NOTE 05 ▶ SEE NOTE 07 ▶ SEE NOTE 10 ▶ SEE NOTE 11 ▶ SEE NOTE 18 ▶ SEE NOTE 23 ▶ SEE NOTE 28 ▶ SEE NOTE 34 ▶ SEE NOTE 38

Judgments have also been used in determining the lease term for lease contracts.
▶ SEE NOTE 10 ▶ SEE NOTE 19

03 Discontinued operations

The position of discontinued operations includes the Reebok business, which was sold on February 28, 2022 with effect from March 1, 2022. The majority of the purchase price was paid at closing, with the remainder comprising deferred and contingent consideration. The fair value of earn-out components was determined using the discounted cash flow method, considering Monte Carlo Simulations.

The profit from discontinued operations for 2025 in the amount of € 8 million (2024: € 8 million) is fully attributable to the shareholders of adidas AG.

In the event the operations of the Reebok business achieve certain performance criteria during the period from March 1, 2022, to December 31, 2031, which are defined as earn-out components in the sale agreement, additional cash consideration of up to € 500 million will be due. At the time of the sale, the fair value of the consideration was determined to be € 247 million. It has been recognized as a financial asset at fair value through profit and loss.

In 2025, adidas received a second payment of € 100 million. At year-end 2025, the fair value of the up to a maximum of € 300 million earn-out components was measured at € 162 million.

Notes to the Consolidated Statement of Financial Position

04 Cash and cash equivalents

Cash and cash equivalents consist of cash held by banks, cash on hand, and short-term deposits.

Short-term deposits are only shown as cash and cash equivalents if they are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Based on the impairment tests, no impairment need was identified for cash and cash equivalents measured at amortized cost.

As of December 31, 2025, cash and cash equivalents includes cash in banks and cash on hand amounting to € 691 million (2024: € 959 million) and short-term deposits in the form of money market funds amounting to € 926 million (2024: € 1,496 million). The total of cash and cash equivalents includes € 287 million and € 325 million as of December 31, 2025 and 2024, respectively, held by subsidiaries that were subject to foreign exchange control or other legal restriction and hence were not at any time available for general use by adidas AG or other subsidiaries.

Further information about cash and cash equivalents is presented in these Notes.

▶ SEE NOTE 28

05 Accounts receivable

Accounts receivable consist mainly of the currencies euro, US dollar, and Chinese renminbi and are as follows:

Accounts receivable € in millions

	Collective loss allowance				Individual loss allowance	Total
	Not yet due	Past due 1 – 90 days	Past due > 90 days			
	Not credit-impaired	Not credit-impaired	Not credit-impaired	Credit-impaired	Credit-impaired	
Dec. 31, 2025						
Accounts receivable, gross	2,390	233	36	25	96	2,780
Weighted average loss rate	0.9%	4.6%	26.6%	32.3%	99.9%	5.2%
Loss allowance	(21)	(11)	(10)	(8)	(96)	(145)
Accounts receivable, net	**2,369**	**222**	**27**	**17**	**0**	**2,634**
Dec. 31, 2024						
Accounts receivable, gross	2,139	235	50	44	125	2,593
Weighted average loss rate	1.2%	5.6%	21.9%	23.0%	95.6%	6.9%
Loss allowance	(26)	(13)	(11)	(10)	(120)	(180)
Accounts receivable, net	**2,113**	**222**	**39**	**34**	**6**	**2,413**

Movement in loss allowances for accounts receivable € in millions

	2025	2024
Loss allowances at January 1	**180**	**229**
Net remeasurement of loss allowances	(1)	(30)
Write-offs charged against the loss allowance accounts	(30)	(22)
Currency translation differences	(8)	0
Other changes	3	2
Loss allowances at December 31	**145**	**180**

As at December 31, 2025, the loss allowance for not-credit-impaired accounts receivable in the amount of € 464 million and credit-impaired accounts receivable in the amount of € 5 million was not recognized, as adidas holds credit enhancement instruments, mainly in the form of credit insurance and bank guarantees, which mitigate the credit risk of those financial assets.

There are no material balances of accounts receivable written off but subject to enforcement activity.

Accounts receivable are derecognized when substantially all the risks and rewards incidental to the financial asset are transferred to a third party under factoring arrangements. As of December 31, 2025, there were no factoring agreements and therefore no receivables were derecognized in this context (2024: € 21 million).

Further information about credit risks is contained in these Notes.

▶ SEE NOTE 28

06 Other current financial assets

Other current financial assets consist of the following:

Other current financial assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Currency options	8	22
Forward exchange contracts	101	217
Suppliers with debit balances	25	38
Security deposits	55	66
Receivables from credit cards and similar receivables	165	300
Other investments	23	75
Earn-out components	75	157
Sundry	67	80
Other current financial assets, gross	**519**	**955**
Less: accumulated allowances	(1)	(6)
Other current financial assets, net	**518**	**950**

The decrease in ‘Other investments’ is mainly driven by payouts related to variable compensation components and a decrease of the fair value by € 9 million, which results from the stock price development.

The decrease in earn-out components reflects the settlement of the earn-out payment during the period. These Notes contain further information about earn-out components.

▶ SEE NOTE 03 ▶ SEE NOTE 28

Further information about currency options and forward exchange contracts is contained in these Notes.

▶ SEE NOTE 28

07 Inventories

Inventories by major classification are as follows:

Inventories € in millions

	Dec. 31, 2025			Dec. 31, 2024		
	Gross value	Allowance for obsolescence	Net value	Gross value	Allowance for obsolescence	Net value
Merchandise and finished goods on hand	4,311	(143)	4,168	3,454	(173)	3,281
Goods in transit	1,656	—	1,656	1,698	—	1,698
Raw materials	8	—	8	10	—	10
Work in progress	0	—	0	0	—	0
Inventories	**5,975**	**(143)**	**5,832**	**5,162**	**(173)**	**4,989**

Goods in transit mainly relate to shipments of finished goods and merchandise from suppliers in Asia to subsidiaries in Europe, North America, Asia, and Latin America.

Expenses from write-down on inventories amounted to € 37 million in 2025 (2024: Income of € 98 million). The income in 2024 primarily results from a positive development in the aging structure of inventories over the course of the financial year. In 2025, the aging structure of inventories remained stable at a comparable level.

08 Other current assets

Other current assets consist of the following:

Other current assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Prepaid expenses	353	290
Return assets	288	303
Tax receivables other than income taxes	407	329
Contract assets	12	12
Customs holdbacks	63	—
Sundry	86	68
Other current assets, gross	**1,211**	**1,001**
Less: accumulated allowances	(2)	(4)
Other current assets, net	**1,208**	**997**

Prepaid expenses mainly relate to promotion and service contracts. Customs holdbacks relate to temporary withholdings resulting from regulatory changes in the customs clearance process. The increase in the line item ‘Tax receivables other than income taxes’ relates mainly to value-added tax.

09 Property, plant, and equipment

The following table presents a reconciliation of the carrying amount of property, plant, and equipment:

Property, plant, and equipment € in millions

	Land and buildings	Technical equipment and machinery	Other equipment, furniture, and fixtures	Construction in progress	Property, plant, and equipment
Acquisition cost					
January 1, 2024	**2,300**	**530**	**1,878**	**156**	**4,864**
Additions	121	14	212	71	419
Disposals	(55)	(12)	(111)	(8)	(186)
Transfers	63	34	31	(128)	0
Currency translation differences	53	13	12	3	82
December 31, 2024/January 1, 2025	**2,482**	**579**	**2,023**	**95**	**5,180**
Additions	119	7	165	72	363
Disposals	(73)	(17)	(200)	(3)	(293)
Transfers	69	6	(6)	(72)	(3)
Currency translation differences	(127)	(36)	(114)	(8)	(285)
December 31, 2025	**2,470**	**540**	**1,867**	**84**	**4,961**
Accumulated depreciation and impairment					
January 1, 2024	**922**	**340**	**1,445**	**0**	**2,707**
Depreciation	150	53	219	—	422
Impairment losses	11	4	4	0	19
Reversals of impairment losses	(4)	(0)	(3)	—	(7)
Disposals	(25)	(11)	(102)	—	(138)
Transfers	8	(0)	(8)	(0)	(0)
Currency translation differences	23	9	11	(0)	44
December 31, 2024/January 1, 2025	**1,086**	**394**	**1,566**	**0**	**3,047**
Depreciation	146	49	198	—	393
Impairment losses	3	0	3	0	6
Reversals of impairment losses	(1)	(3)	(3)	—	(7)
Disposals	(69)	(13)	(196)	—	(278)
Transfers	26	0	(26)	—	—
Currency translation differences	(60)	(25)	(88)	0	(173)
December 31, 2025	**1,132**	**403**	**1,453**	**0**	**2,988**
Net carrying amount					
January 1, 2024	1,378	190	434	156	2,157
December 31, 2024/January 1, 2025	1,396	185	457	95	2,133
December 31, 2025	**1,338**	**137**	**414**	**84**	**1,973**

As a general principle, it is regularly assessed whether there are any indications that property, plant, and equipment might be impaired.

Irrespective of the existence of such indications, furniture and fixtures in adidas' own retail stores as part of the cash-generating unit are tested annually for impairment, whereby the recoverable amount (value in use) of the cash-generating unit, as part of determining the profitability of adidas' own retail stores, is calculated using the 'discounted cash flow method.'

Impairment losses recognized in 2025 mainly relate to the company's own retail activities, for which, contrary to initial expectations, no sufficient future economic benefit is expected.

In 2025, impairment losses of € 6 million were recognized for property, plant, and equipment. They are mainly attributable to Greater China with € 2 million, Emerging Markets with € 2 million, North America with € 1 million, and Latin America with € 1 million. The reversals of impairment losses of € 7 million are mainly attributable to Japan/South Korea with € 4 million, Greater China with € 1 million, and Emerging Markets with € 1 million. Both were recognized in the other operating expenses. These Notes provide further information on the methodology on impairment losses for adidas' own retail stores.

▶ SEE NOTE 10

Further information on total depreciation and amortization expenses, impairment losses, and reversals of impairment losses is provided in these Notes.

▶ SEE NOTE 31

10 Right-of-use assets

The following table presents a reconciliation of the carrying amount of right-of-use assets:

Right-of-use assets € in millions

	Land and buildings	Technical equipment and machinery	Other equipment, furniture, and fixtures	Right-of-use assets
January 1, 2025	**2,727**	**11**	**41**	**2,779**
Additions	659	1	20	681
Disposals	(67)	(0)	(5)	(72)
Depreciation	(611)	(6)	(22)	(639)
Impairment losses	(23)	—	(3)	(26)
Reversal of impairment losses	3	—	—	3
Currency translation differences	(122)	(0)	(2)	(124)
Transfers	3	—	—	3
December 31, 2025	**2,569**	**6**	**30**	**2,605**

Right-of-use assets € in millions

	Land and buildings	Technical equipment and machinery	Other equipment, furniture, and fixtures	Right-of-use assets
January 1, 2024	**2,195**	**17**	**36**	**2,247**
Additions	1,192	9	26	1,227
Disposals	(84)	—	—	(84)
Depreciation	(605)	(14)	(21)	(640)
Impairment losses	(19)	—	—	(19)
Reversal of impairment losses	21	—	—	21
Currency translation differences	25	—	—	25
December 31, 2024	**2,727**	**11**	**41**	**2,779**

As a general principle, it is regularly assessed whether there are any indications that right-of-use assets might be impaired. Irrespective of the existence of such indications, right-of-use assets in adidas' own retail stores are tested annually for impairment, whereby the recoverable amount (value in use) of the cash-generating unit, as part of determining the profitability of adidas' own retail stores, is calculated using the 'discounted cash flow method.'

In 2025, impairment losses of € 26 million were recognized, with the full amount attributable to the company's own retail activities, for which, in contrast to expectations in the previous year, lower future economic benefits are expected.

Impairment losses relating to retail stores, which are shown under property, plant, and equipment and right-of-use assets, are mainly attributable to Greater China with € 15 million, North America with € 9 million and Emerging Markets with € 4 million. Discount rates between 0.1% and 25.8% were used to calculate the impairment for the value in use (2024: 1.1%-34.0%). The recoverable amounts of adidas' own retail stores break down into North America at € 55 million, Greater China at € 44 million, Emerging Markets at € 31 million, Europe at € 25 million, Japan/South Korea at € 22 million and Latin America at € 6 million.

In 2025, reversals of impairment losses of € 3 million were incurred. They mainly result from Emerging Markets and Europe. The impairment losses and reversals of impairment losses were recognized in the other operating expenses.

In 2025, reclassifications totaling € 3 million were made from property, plant, and equipment to right-of-use-assets.

Further information on total depreciation and amortization expenses, impairment losses and reversals of impairment losses is provided in these Notes.

▶ SEE NOTE 31

11 Goodwill

The following table presents a reconciliation of the carrying amount of goodwill:

Goodwill € in millions

	Dec. 31, 2025	Dec. 31, 2024
Goodwill, gross	1,600	1,701
Less: accumulated impairment losses	(397)	(426)
Goodwill, net	**1,203**	**1,275**

adidas determines whether goodwill impairment is necessary at least on an annual basis. The impairment test for goodwill is performed based on groups of cash-generating units that represent the lowest level within the company at which goodwill is monitored for internal management purposes. This requires an estimation of the recoverable amount of the groups of cash-generating units to which the goodwill is allocated. The recoverable amount of a group of cash-generating units is determined based on its value in use. Estimating the value in use requires adidas to make an estimate of the expected future cash flows from the groups of cash-generating units and to choose a suitable discount rate to calculate the present value of those cash flows.

This calculation uses cash flow projections based on the financial planning covering a four-year period in total. The planning is based on long- term expectations of the company and reflects an average annual high-single digit sales increase with varying forecast growth prospects for the different groups of cash-generating units. Furthermore, adidas expects the operating margin to improve to a level of low double-digit profitability, primarily driven by an improvement in gross margin, as well as lower operating expenses as a percentage of sales. The planning for capital expenditure and working capital is primarily based on past experience. The planning for future tax payments is based on current statutory corporate tax rates of the individual groups of cash-generating units. Cash flows beyond this four-year period are extrapolated using steady growth rates between 1.4% and 3.3% (2024: 1.4%-3.0%). According to the company's expectations, these growth rates do not exceed the long-term average growth rate of the business sector in which the respective group of cash-generating units operates.

Discount rates are based on a weighted average cost of capital calculation considering a five-year average market-weighted debt/equity structure and financing costs referencing major competitors for the respective group of cash-generating units. The discount rates used reflect the specific equity and country risk of the respective group of cash-generating units.

The groups of cash-generating units are defined as the regional markets that are responsible for the distribution. The regional markets are Europe, North America, Greater China, Emerging Markets, Latin America, Japan, and South Korea. The number of cash-generating units amount to a total of seven at the end of 2025 (2024: seven).

The annual goodwill impairment tests revealed no need for goodwill impairment for the years ending December 31, 2025 and 2024.The carrying amounts of acquired goodwill allocated to the respective groups of cash-generating units and the respective discount rates applied to the cash flow projections are as follows:

Allocation of goodwill

	Goodwill (€ in millions)		Discount rate (pre-tax)	
	Dec. 31, 2025	Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Europe	483	513	11.7%	13.6%
North America	77	79	12.0%	12.8%
Greater China	283	303	12.2%	13.4%
Emerging Markets	271	287	16.4%	17.3%
Japan	33	35	13.6%	13.6%
South Korea	55	58	12.3%	13.2%
Total	**1,203**	**1,275**		

A change in the discount rate by up to around 3 percentage points or a reduction of planned free cash inflows by up to approximately 34% would not result in any impairment requirement.

Future changes in expected cash flows and discount rates may lead to impairments of the reported goodwill in the future.

The majority of goodwill is denominated in US dollars. The effect of currency translation is as follows:

Reconciliation of goodwill, net € in millions

	Europe	North America	Greater China	Emerging Markets	Japan	South Korea	Total
January 1, 2025	**513**	**79**	**303**	**287**	**35**	**58**	**1,275**
Currency translation differences	(30)	(2)	(20)	(16)	(2)	(2)	(72)
December 31, 2025	**483**	**77**	**283**	**271**	**33**	**55**	**1,203**

12 Other intangible assets

Other intangible assets consist of the following:

Other intangible assets € in millions

	Internally developed intangible assets	Miscellaneous intangible assets	Other intangible assets
Acquisition cost			
January 1, 2024	**78**	**1,351**	**1,429**
Additions	37	83	121
Disposals	(5)	(60)	(66)
Transfers	—	(0)	(0)
Decrease in companies consolidated	—	—	—
Currency translation differences	—	11	11
December 31, 2024/January 1, 2025	**109**	**1,386**	**1,495**
Additions	25	89	114
Disposals	(2)	(147)	(148)
Transfers	(3)	2	(1)
Currency translation differences	—	(23)	(23)
December 31, 2025	**130**	**1,307**	**1,437**
Accumulated amortization and impairment			
January 1, 2024	**27**	**959**	**987**
Amortization	11	98	109
Impairment losses	—	0	0
Reversals of impairment losses	—	(0)	(0)
Disposals	(2)	(32)	(34)
Transfers	—	(0)	(0)
Decrease in companies consolidated	—	(0)	(0)
Currency translation differences	—	7	7
December 31, 2024/January 1, 2025	**36**	**1,033**	**1,069**
Amortization	15	75	89
Impairment losses	—	1	1
Reversals of impairment losses	—	(10)	(10)
Disposals	(2)	(136)	(138)
Transfers	—	—	—
Currency translation differences	—	(17)	(17)
December 31, 2025	**49**	**945**	**994**
Net carrying amount			
January 1, 2024	50	392	442
December 31, 2024/January 1, 2025	74	353	426
December 31, 2025	**81**	**361**	**443**

Internally developed intangible assets mainly relate to internally generated software.

Further information on total depreciation and amortization expenses, impairment losses, and reversals of impairment losses is provided in these Notes.

▶ SEE NOTE 31

13 Long-term financial assets

Long-term financial assets primarily include an 8.33% investment in FC Bayern München AG (2024: 8.33%) of € 93 million (2024: € 91 million). This investment is classified as fair value through profit or loss and is recorded at fair value. This equity security does not have a quoted market price in an active market. Therefore, existing contractual arrangements are used in order to calculate the fair value as at December 31, 2025 and 2024.

Other equity investments include minority shareholdings. There is currently no intention to sell these shares. Other minority shareholdings include an decrease of the fair value in an amount of € 62 million in 2025 (2024: € 1 million increase).

The line item 'Other investments' comprises investments that are mainly invested in insurance products, which are measured at fair value, and securities for long-term variable compensation components. The increase in 'Other investments' results from the investment in securities for variable compensation components. This increase was partly offset by a reduction in fair value in an amount of € 50 million in 2025 (2024: € 29 million increase), which results from the stock price development.

Long-term financial assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Investment in FC Bayern München AG	93	91
Other equity investments	26	86
Other investments	233	163
Long-term financial assets	**353**	**340**

14 Other non-current financial assets

Other non-current financial assets consist of the following:

Other non-current financial assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Forward exchange contracts	3	12
Currency options	1	2
Security deposits	73	74
Earn-out components	87	97
Sundry	53	50
Other non-current financial assets	**217**	**234**

The decrease in earn-out components reflects the reclassification to current financial assets due to expected payments within the next 12 months, which are partially offset by an increase in fair value. These Notes contain further information about earn-out components.

▶ SEE NOTE 03 ▶ SEE NOTE 28

15 Other non-current assets

Other non-current assets consist of the following:

Other non-current assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Prepaid expenses	102	112
Customs refund claims	307	176
Sundry	6	3
Other non-current assets	**415**	**291**

Prepaid expenses mainly relate to long-term promotion contracts.

▶ SEE NOTE 38

16 Borrowings and credit lines

Borrowings are denominated in a variety of currencies in which adidas conducts its business. The largest portion of effective gross borrowings (before liquidity swaps for cash management purposes) as at December 31, 2025, is denominated in euros (2025: 94%; 2024: 98%).

The weighted average interest rate on the Group's gross borrowings increased to 3.1% in 2025 (2024: 2.5%).

As at December 31, 2025, adidas had cash credit lines and other long-term financing arrangements totaling € 6.0 billion 2024: € 6.0 billion); thereof unused credit lines accounted for € 3.3 billion (2024: € 3.6 billion). In addition, as at December 31, 2025, adidas had separate lines for the issuance of letters of credit and guarantees in an amount of approximately € 0.5 billion (2024: € 0.4 billion).

In November 2020, adidas entered into a new syndicated credit facility agreement with twelve banks totaling € 1.5 billion. The credit facility agreement was subsequently amended and restated in October 2021 and in November 2022 increasing the size to € 2.0 billion, covered by eleven partner banks, and extending the maturity until November 2027. In December 2023, adidas reduced the syndicated credit facility size to € 1.864 billion and the number of lending banks to ten partner banks. The syndicated credit facility can be drawn in euros and US dollars. The interest is based on a defined margin on a reference rate ('€STR' or 'EURIBOR' for euros).

The amounts reported as gross borrowings represent outstanding borrowings under the following arrangements with aggregated expiration dates as follows:

Book value of gross borrowings as at December 31, 2025 € in millions

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Bank borrowings incl. commercial paper	246	7	—	—	252
Eurobond	400	498	995	497	2,389
Total	**645**	**505**	**995**	**497**	**2,642**

Book value of gross borrowings as at December 31, 2024 € in millions

	Up to 1 year	Between 1 and 3 years	Between 3 and 5 years	More than 5 years	Total
Bank borrowings incl. commercial paper	70	26	—	—	96
Eurobond	499	399	994	496	2,389
Total	**570**	**425**	**994**	**496**	**2,485**

A Eurobond was issued in November 2025 to refinance an expiring Eurobond. As of December 2025 following bonds are outstanding:

Issued Bonds

	Issuance Date	Volume (€ in millions)	Coupon	Issue Price	Spread (basis points)	Maturity
Eurobond	Oct. 2014	400	2.250%	99.357%	100	Oct. 2026
Eurobond	Sep. 2020	500	0.625%	99.360%	63	Sep. 2035
Sustainability Bond	Sep. 2020	500	0.000%	99.410%	40	Oct. 2028
Eurobond	Nov. 2022	500	3.125%	99.272%	45	Nov. 2029
Eurobond	Nov. 2025	500	2.750%	99.922%	42	Nov. 2030

Further details on future cash outflows are provided in these Notes.

▶ SEE NOTE 28

17 Other current financial liabilities

Other current financial liabilities consist of the following:

Other current financial liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Forward exchange contracts	214	76
Currency options	56	1
Customer with credit balances	53	79
Embedded derivatives	2	1
Sundry	10	34
Other current financial liabilities	**335**	**191**

Further information about forward exchange contracts and currency options is contained in these Notes.
▶ SEE NOTE 28

18 Other provisions

Other provisions consist of the following:

Other provisions € in millions

	Jan. 1, 2025	Additions	Change in discounted amount	Usage	Reversals	Currency translation differences	Dec. 31, 2025	Thereof non-current
Marketing	17	9	—	(11)	(0)	(2)	14	—
Personnel	462	163	(3)	(174)	(67)	(17)	365	109
Returns and warranty	691	559	—	(478)	(48)	(59)	664	—
Taxes, other than income taxes	93	14	(0)	(38)	(22)	(7)	41	—
Customs	268	33	(4)	(13)	(39)	(16)	228	183
Sundry	359	157	(0)	(70)	(98)	(16)	332	144
Other provisions	**1,890**	**935**	**(7)**	**(783)**	**(275)**	**(116)**	**1,644**	**436**

Marketing provisions mainly consist of provisions for promotion contracts, which are comprised of obligations to clubs and athletes.

Provisions for personnel mainly consist of provisions for short-term and long-term variable compensation components as well as of provisions for social plans and for a voluntary leave program.

Provisions for returns and warranty primarily arise due to the obligation of fulfilling customer claims with regard to the return of products sold by adidas. The amount of the provision follows the historical development of returns and warranty as well as current agreements.

Provisions for taxes other than income taxes mainly relate to tax risks.

Sundry provisions mainly include provisions for onerous contracts as well as for dismantling and restoration costs.

Non-current provisions consist of provisions for long-term variable compensation components with a time frame of three to four years, which are discounted with country-specific interest rates, as well as customs provisions with a time horizon of more than one year.

Management follows past experience from similar transactions when assessing the recognition and the measurement of provisions; in particular, external legal opinions are considered for provisions for customs risks and for litigation and other legal risks. All evidence from events until the preparation of the consolidated financial statements is taken into account.

19 Lease liabilities

Lease liabilities consist of the following:

Lease liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Land and buildings	2,873	3,047
Technical equipment and machinery	6	12
Other equipment, furniture, and fixtures	35	44
Lease liabilities	**2,913**	**3,102**

The contractual payments for lease liabilities held by adidas as at December 31, 2025, in an amount of € 3.4 billion (2024: € 3.6 billion), mature as follows:

Contractual payments for lease liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Within 1 year	749	751
Between 1 and 5 years	1,815	1,807
After 5 years	859	1,004
Total	**3,423**	**3,562**

Interest recognized on lease liabilities in 2025 amounted to € 109 million (2024: € 99 million).

Expenses from leases classified as short-term, low-value, or variable are excluded from the measurement of the lease liability. Further information on total expenses relating to short-term, low-value, and variable leases is provided in these Notes.

▶ SEE NOTE 31

In 2025, the total cash outflows for leases, including the above-mentioned leases not included in the calculation of the lease liability, amounted to € 919 million (2024: € 895 million).

20 Accrued liabilities

Accrued liabilities consist of the following:

Accrued liabilities € in millions

	Dec. 31, 2025	Thereof: non-current	Dec. 31, 2024	Thereof: non-current
Goods and services received but not yet invoiced	818	—	1,010	—
Marketing and sales	1,034	—	1,030	—
Personnel	498	—	584	—
Sundry	32	—	34	—
Accrued liabilities	**2,383**	**—**	**2,659**	**—**

Accrued liabilities for marketing and sales mainly consist of accruals for distribution, such as discounts, rebates, and sales commissions.

Accrued liabilities for personnel mainly consist of accruals for outstanding salary payments, such as bonuses and overtime, as well as outstanding vacation.

Sundry accrued liabilities include accruals for interest.

21 Other current liabilities

Other current liabilities consist of the following:

Other current liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Tax liabilities other than income taxes	379	316
Liabilities due to personnel	40	35
Liabilities due to social security	29	29
Deferred income	113	107
Contract liabilities	1	1
Donation commitments	54	31
Sundry	36	80
Other current liabilities	**652**	**598**

22 Other non-current financial liabilities

Other non-current financial liabilities consist of the following:

Other non-current financial liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Forward exchange contracts	6	1
Currency options	0	—
Other non-current financial liabilities	**7**	**1**

Further information about forward exchange contracts and currency options is provided in these Notes.
▶ SEE NOTE 28

23 Pensions and similar obligations

adidas has recognized post-employment benefit obligations arising from defined benefit plans. The benefits are provided pursuant to the legal, fiscal, and economic conditions in each respective country and mainly depend on the employees' years of service and remuneration.

Pensions and similar obligations € in millions

	Dec. 31, 2025	Dec. 31, 2024
Liability arising from defined benefit pension plans	101	141
Similar obligations	0	0
Pensions and similar obligations	**101**	**141**

The liability arising from defined benefit pension plans consists on the one hand of assets from defined benefit pension plans in an amount of € 5 million (2024: € 3 million), and on the other hand of provisions for pensions and similar obligations in an amount of € 106 million (2024: € 144 million).

Defined contribution pension plans

The total expense for defined contribution pension plans amounted to € 97 million in 2025 (2024: € 84 million).

Defined benefit pension plans

Given the company's diverse subsidiary structure, different defined benefit pension plans exist, comprising a variety of post-employment benefit arrangements. The company's major defined benefit pension plans relate to adidas AG and its subsidiary in the UK. The defined benefit pension plans generally provide payments in case of death, disability, or retirement to former employees and their survivors. The obligations arising from defined benefit pension plans are partly covered by plan assets. In addition, there are significant obligations from a plan to cover the medical costs of pensioners in the US.

In Germany, adidas AG grants its employees contribution-based and final-salary-defined benefit pension schemes, which provide employees with entitlements in the event of retirement, disability, and death. German pension plans operate under the legal framework of the German Company Pensions Act ('Betriebsrentengesetz') and under general German labor legislation. Active existing employees and new entrants are entitled to benefits in accordance with the general company agreement 'Core Benefits: adidas company pension plan.' This is a pension plan with a basic employer contribution, possible salary sacrifices, and additional matching contribution. Thus, the contributions to this pension plan are partly paid by the employee and partly paid by the employer. The contributions are transferred into benefit components. The benefits are paid out in the form of a pension, a lump sum, or installments. The pension plans in Germany are financed using book reserves, a 'Contractual Trust Arrangement' ('CTA') and, for certain former members of the Executive Board of adidas AG, a pension fund ('Pensionsfonds') in combination with a reinsured provident fund ('Unterstützungskasse').

The final salary defined benefit pension scheme in the UK is closed to new entrants and to future accrual. The benefits are mainly paid out in the form of pensions. The scheme operates under UK trust law as well as under the jurisdiction of the UK Pensions Regulator and therefore is subject to a minimum funding requirement. The Trustee Board is responsible for setting the scheme's funding objective, agreeing the contributions with the company, and determining the investment strategy of the scheme.

The legal framework for employer-provided benefits to cover healthcare costs for retirees in the United States is primarily governed by the Employee Retirement Income Security Act (ERISA) and the Internal Revenue Code (IRC). These laws establish the rules and regulations that employers must follow when providing these benefits to their employees. The fully unfunded medical plan is open to new participants who have, at the end of their employment, completed at least ten years of service, are at least 55 years of age, and are entitled to subsidized medical care. The plan provides medical, pharmaceutical, dental, and ophthalmologic services from retirement until maximum the age of 65 (or without age limit until death for a closed group of retirees). At age 65, they are expected to receive state medical benefits from US Medicare.

Breakdown of the present value of the significant obligations arising from defined benefit pension € in millions

	Dec. 31, 2025			Dec. 31, 2024		
	Germany	UK	USA	Germany	UK	USA
Active members	219	—	16	231	—	16
Former employees with vested rights	169	29	—	177	30	—
Pensioners	99	5	9	104	6	9
Total	**487**	**34**	**25**	**512**	**36**	**25**

The Group's pension plans are subject to risks from changes in actuarial assumptions, such as the discount rate, salary, and pension increase rates, and risks from changes in mortality. A lower discount rate results in a higher defined benefit obligation and/or in higher contributions to the pension funds. Lower-than-expected performance of the plan assets could lead to an increase in required contributions or to a decline of the funded status.

The following tables analyze the defined benefit plans, plan assets, present values of the defined benefit pension plans, expenses recognized in the consolidated income statement, actuarial assumptions, and further information.

Amounts for defined benefit pension plans recognized in the consolidated statement of financial position € in millions

	Dec. 31, 2025	Dec. 31, 2024
Present value of funded obligation from defined benefit pension plans	587	609
Fair value of plan assets	(548)	(525)
Funded status	**39**	**84**
Present value of unfunded obligation from defined benefit pension plans	54	54
Effect of asset ceiling in accordance with IAS 19.64	7	3
Net defined benefit liability	**101**	**141**
Thereof: liability	106	144
Thereof: adidas AG	42	80
Thereof: asset	(5)	(3)
Thereof: adidas AG	—	—

The determination of assets and liabilities for defined benefit plans is based on actuarial valuations. In particular, the present value of the defined benefit obligation is driven by financial variables (such as the discount rates or future increases in salaries) and demographic variables (such as mortality and employee turnover). The actuarial assumptions may differ significantly from the actual circumstances and could lead to different cash flows.

Weighted average actuarial assumptions in %

	Dec. 31, 2025	Dec. 31, 2024
Discount rate	4.3	3.8
Expected rate of salary increases	4.3	4.2
Expected pension increases	2.1	2.1

Breakdown of the actuarial assumptions in %

	Dec. 31, 2025			Dec. 31, 2024		
	Germany	UK	USA	Germany	UK	USA
Discount rate	4.2	5.7	4.9	3.5	5.6	5.1
Expected rate of salary increases	—	—	—	—	—	—
Expected pension increases	2.2	2.2	—	2.2	2.2	—

The weighted average actuarial assumptions as at the balance sheet date are used to determine the defined benefit liability at that date and the pension expense for the upcoming financial year.

The actuarial assumptions for withdrawal and mortality rates are based on statistical information available in the various countries. In Germany, the Heubeck 2018 G mortality tables are used. In the UK, assumptions are based on the S3 base table, and in the US they are based on the Pri-2012 base table. The mortality tables in the UK and in the US were modified to account for future changes in life expectancy.

As in the previous year, the calculation of the pension liabilities in Germany, the UK, and the US is based on discount rates determined using the ‘Mercer Yield Curve (MYC)’ approach.

Remeasurements, such as gains or losses arising from changes in the actuarial assumptions for defined benefit pension plans or a return on the plan assets exceeding the interest income, are immediately recognized outside the income statement as a change in other reserves in the consolidated statement of comprehensive income.

Pension expenses for defined benefit pension plans € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Current service cost	32	30
Net interest expense	5	5
Thereof: interest cost	24	23
Thereof: interest income	(19)	(18)
Past service (credit)	(0)	(11)
Expenses for defined benefit pension plans (recognized in the consolidated income statement)	**37**	**24**
Actuarial (gains)/losses on liability	(41)	16
Thereof: due to changes in financial assumptions	(43)	5
Thereof: due to changes in demographic assumptions	2	(0)
Thereof: due to experience adjustments	(0)	11
Loss/(return) on plan assets (not included in net interest income)	3	(11)
Change in asset ceiling (excluding interest cost)	4	0
Remeasurements for defined benefit pension plans (recognized as (increase)/decrease in other reserves in the consolidated statement of comprehensive income)	**(34)**	**5**
Total	**3**	**29**

Of the total pension expenses recorded in the consolidated income statement, an amount of € 19 million (2024: € 18 million) relates to employees of adidas AG and expense of € 3 million (2024: Income of € 5 million) relates to employees in the US. The pension expense is mainly recorded within other operating expenses. The production-related part of the pension expenses is recognized within cost of sales.

Present value of the defined benefit obligation € in millions

	2025	2024
Present value of the obligation from defined benefit pension plans as at January 1	**663**	**625**
Currency translation differences	(10)	2
Current service cost	32	30
Interest cost	23	23
Contribution by plan participants	2	2
Pensions paid	(26)	(22)
Actuarial (gains)/losses	(41)	16
Thereof: due to changes in financial assumptions	(43)	5
Thereof: due to changes in demographic assumptions	2	(0)
Thereof: due to experience adjustments	(0)	11
Past service (credit)	(0)	(11)
Business combinations/transfers/divestitures	—	(0)
Present value of the obligation from defined benefit pension plans as at December 31	**642**	**663**

Of the total actuarial gains recognized in equity, an amount of € 44 million (2024: Loss of less than € 1 million) relates to pension schemes at adidas AG, a loss of € 6 million (2024: Gain of € 1 million) to the UK and a loss of € 2 million (2024: Gain of less than € 1 million) to the US.

In the following table, the effects of reasonably conceivable changes in the actuarial assumptions on the present value of the obligation from defined benefit pension plans are analyzed for Germany, the UK, and the US. In addition, the average duration of the obligation is shown.

Sensitivity analysis of the obligation from defined benefit pension plans € in millions

	Dec. 31, 2025			Dec. 31, 2024		
	Germany	UK	USA	Germany	UK	USA
Present value of the obligation from defined benefit pension plans	487	34	25	512	36	25
Increase in the discount rate by 0.5%	460	32	24	480	33	24
Reduction in the discount rate by 0.5%	517	37	26	546	38	26
Average duration of the obligations (in years)	12	16	7	13	16	7

Since many pension plans are closed to future accrual, the salary trend plays a minor role in determining pension obligations. With the introduction of the Core Benefits arrangement, German pension plans are mainly paid as lump sums, so the pension increase rate and the mortality assumption have significantly less impact than the discount rate when calculating the pension obligations.

Fair value of plan assets € in millions

	2025	2024
Fair value of plan assets as at January 1	**525**	**492**
Currency translation differences	(4)	0
Pensions paid	(10)	(10)
Contributions by the employer	20	12
Contributions paid by plan participants	2	2
Interest income from plan assets	19	18
(Loss)/return on plan assets (not included in net interest income)	(3)	11
Business combinations/transfers/divestitures	—	(0)
Fair value of plan assets as at December 31	**548**	**525**

The majority of plan assets are attributable to Germany (2025: 82%, 2024: 83%) and the UK (2025: 6%, 2024: 6%).

Part of the plan assets in Germany is held by a trustee under a contractual trust arrangement (CTA) for the purpose of funding the pension obligations of adidas AG and insolvency insurance with regard to part of the pension obligations of adidas AG. The trustee is the registered association adidas Pension Trust e.V. The investment committee of the adidas Pension Trust determines the investment strategy with the goal to match the pension liabilities as far as possible and to generate a sustainable return. In 2025, no additional employer funding contribution was transferred to the trustee. The plan assets in the registered association are mainly invested in fixed income funds, equity funds and real estate. Another substantial part of the plan assets in Germany is invested in insurance contracts via a pension fund and a provident fund. For this

portion, an insurance entity is responsible for the determination and the implementation of the investment strategy.

In the UK, the plan assets are held in an external trust. The Trustees completed a buy-in transaction in November 2025 by purchasing annuity policies covering all the benefits of the members of the plan, except for a component relating to Guaranteed Minimum Pensions. The pension liabilities in respect of the scheme members remain within the plan but are now covered by insured assets which match the liabilities. In principle, the investment strategy is aligned with the structure of the pension obligations in these countries. In the rest of the world, the plan assets consist predominantly of insurance contracts.

The expected total employer contributions for the 2026 financial year amount to € 35 million. Thereof, € 28 million relates to benefits directly paid to pensioners by the subsidiaries and € 6 million to employer contributions paid into the plan assets. In 2025, the actual return on plan assets (including interest income) was € 15 million (2024: € 29 million).

Composition of plan assets € in millions

	Dec. 31, 2025	Dec. 31, 2024
Cash and cash equivalents	44	32
Equity instruments	138	129
Bonds	157	169
Real estate	95	94
Pension plan reinsurance	82	48
Investment funds	0	34
Other assets	31	20
Fair value of plan assets	**548**	**525**

All equities and bonds are traded freely and have a quoted market price in an active market.

At each balance sheet date, the company analyzes the over- or underfunding and, where appropriate, adjusts the composition of plan assets.

As of December 31, 2025, the plan assets eligible for offsetting are required to be reduced by € 7 million (2024: € 3 million) due to the application of IAS 19.64. The increase of € 4 million will be recognized mainly as a decrease in other reserves in the consolidated statement of comprehensive income.

24 Other non-current liabilities

Other non-current liabilities consist of the following:

Other non-current liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Deferred income	1	1
Liabilities due to personnel	0	0
Donation commitment	138	153
Sundry	3	—
Other non-current liabilities	**143**	**154**

25 Shareholders' equity

As at December 31, 2025, the nominal capital of adidas AG amounted to € 180,000,000 divided into 180,000,000 registered no-par-value shares and was fully paid in.

Each share grants one vote and is entitled to dividends starting from the commencement of the year in which it was issued. Treasury shares held directly or indirectly are not entitled to dividend payment in accordance with § 71b German Stock Corporation Act (Aktiengesetz – AktG). As at the balance sheet date, adidas AG held 1,334,982 treasury shares, corresponding to a notional amount of € 1,334,982 in the nominal capital and consequently to 0.74% of the nominal capital.

Authorized capital 2025/I and 2025/II

The Executive Board of adidas AG did not utilize the existing amount of authorized capital of up to € 70 million in the reporting period.

The authorized capital of adidas AG, which is set out in § 4 sections 2 and 3 of the Articles of Association as at the balance sheet date, entitles the Executive Board, subject to Supervisory Board approval, to increase the nominal capital based on the following authorizations:

Based on the authorization granted by resolution of the Annual General Meeting of May 15, 2025, until June 5, 2030,

— by issuing new shares against contributions in cash once or several times by no more than € 50 million altogether and, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights (Authorized Capital 2025/I);

Based on the authorization granted by resolution of the Annual General Meeting of May 15, 2025, until June 5, 2030,

— by issuing new shares against contributions in kind and/or cash once or several times by no more than € 20 million altogether (Authorized Capital 2025/II), and, subject to Supervisory Board approval, to exclude residual amounts from shareholders' subscription rights, to wholly or partly exclude shareholders' subscription rights when issuing shares against contributions in kind and to exclude shareholders' subscription rights when issuing shares against contributions in cash if the new shares against contributions in cash are issued at a price not significantly below the stock market price of the

company's shares already quoted on the stock exchange at the point in time when the issue price is ultimately determined, which should be as close as possible to the placement of the shares; this exclusion of subscription rights can also be associated with the listing of the company's shares on a foreign stock exchange.

The authorization to exclude subscription rights under this authorization, however, may only be used to the extent that the pro-rata amount of the new shares in the nominal capital, together with the pro-rata amount in the nominal capital of other shares that have been issued by the company since May 15, 2025, subject to the exclusion of subscription rights, on the basis of an authorized capital or following a repurchase, or for which subscription or conversion rights or subscription or conversion obligations have been granted through the issuance of convertible bonds and/or bonds with warrants while excluding subscription rights, does not exceed 10% of the nominal capital existing on the date of the entry of this authorization with the commercial register or – if this amount is lower – on the respective date on which the resolution on the utilization of the authorization is adopted. The previous sentence does not apply to the exclusion of subscription rights for residual amounts. The Authorized Capital 2025/II must not be used to issue shares within the scope of compensation or participation programs for Executive Board members or employees, or for members of the management bodies or employees of affiliated companies.

Contingent capital 2022

The following overview of the contingent capital is based on § 4 section 4 of the Articles of Association of adidas AG, as well as on the underlying resolution of the Annual General Meeting held on May 12, 2022.

The nominal capital is conditionally increased by up to € 12.5 million divided into not more than 12,500,000 no-par-value shares (Contingent Capital 2022). The contingent capital increase serves the issuance of no-par-value shares when exercising option or conversion rights or fulfilling the respective option and/or conversion obligations or when exercising the company's right to choose to partially or in total deliver registered no-par-value shares of the company instead of paying the due amount to the holders or creditors of bonds issued by the company or a subordinated group company up to May 11, 2027, on the basis of the authorization resolution adopted by the Annual General Meeting on May 12, 2022. The new shares will be issued at the respective option or conversion price to be established in accordance with the aforementioned authorization resolution. The contingent capital increase will be implemented only if bonds are issued in accordance with the authorization resolution adopted by the Annual General Meeting on May 12, 2022, and only to the extent that option or conversion rights are exercised or the holders or creditors of bonds obligated to exercise the option or conversion obligation fulfill their obligations to exercise the warrant or convert the bond, or to the extent that the company exercises its rights to choose to deliver no-par-value shares in the company for the total amount or a partial amount instead of payment of the amount due and insofar as no cash settlement, treasury shares or shares of another public-listed company are used to service these rights. The new shares carry dividend rights from the commencement of the financial year in which the shares are issued. In the event that, at the time of issuance of the new shares, no resolution on the appropriation of retained earnings for the financial year directly preceding the year in which the shares are issued has been passed, the Executive Board is authorized, to the extent legally permissible, to determine that the new shares will carry dividend rights from the commencement of the financial year directly preceding the year in which the shares are issued. Furthermore, the Executive Board is authorized to stipulate additional details concerning the implementation of the contingent capital increase.

The Executive Board is authorized, subject to Supervisory Board approval, to exclude shareholders' subscription rights to the bonds insofar as this is necessary for residual amounts and also insofar as and to the extent that this is necessary for granting subscription rights to holders or creditors of bonds already issued before, which they would be entitled to as shareholders upon exercising their option or conversion

rights or upon fulfilling their option and/or conversion obligations or upon exercising a right to delivery of shares referring to shares of the company. Finally, the Executive Board is authorized, subject to Supervisory Board approval, to also exclude shareholders' subscription rights insofar as the bonds are issued against contributions in cash and after the Executive Board has concluded, following an examination in accordance with its legal duties, that the issue price of the bonds is not significantly below the hypothetical market value computed using recognized, in particular, financial calculation methods and the number of shares issued does not exceed 10% of the nominal capital, neither at the point of becoming effective nor – in case this amount is lower – at the point of exercising the aforementioned authorization. Shares which are issued or sold in accordance with § 186 section 3 sentence 4 AktG during the term of this authorization until its utilization shall be attributed to the aforementioned limit of 10%. Furthermore, shares that are to be issued or granted during the term of this authorization on the basis of a bond issued with the exclusion of subscription rights in accordance with this provision utilizing another authorization shall be attributed to the aforementioned limit of 10%. The total number of shares that are issued under bonds based on this authorization with the exclusion of subscription rights and shares that are issued from an authorized capital with the exclusion of subscription rights during the term of the authorization may not exceed 10% of the nominal capital on the date of the entry of this authorization with the Commercial Register.

In the period up until the balance sheet date, the Executive Board of adidas AG did not issue any bonds based on the authorization granted on May 12, 2022, and consequently did not issue any shares from the Contingent Capital 2022.

Repurchase and use of treasury shares

The Annual General Meeting on May 11, 2023, granted the Executive Board an authorization to repurchase adidas AG shares up to an amount totaling 10% of the nominal capital until May 10, 2028. The authorization may be used by adidas AG but also by its subordinated Group companies or by third parties on account of adidas AG or its subordinated Group companies or third parties assigned by adidas AG or one of its subordinated Group companies. The Executive Board of adidas AG did not make use of this authorization in the reporting period.

In the 2025 financial year, a total of 115,934 treasury shares were used as consideration for, inter alia, the transfer or licensing of industrial property rights and intangible property rights due to contractual obligations. Using treasury shares while excluding subscription rights enabled adidas AG to acquire industrial property rights and intangible property rights (or licenses) from the respective owners at attractive conditions while preserving the company's liquidity. Based on the share price at the time, the 115,934 shares transferred had a value of altogether approx. € 19 million, corresponding to a notional amount of € 115,934 in the nominal capital and consequently to approx. 0.06% of the nominal capital.

▶ SEE DISCLOSURES PURSUANT TO § 315A AND § 289A OF THE GERMAN COMMERCIAL CODE AND EXPLANATORY REPORT

Changes in the percentage of voting rights

Pursuant to § 160 section 1 no. 8 AktG, information must be provided on the existence of shareholdings that have been notified to adidas AG in accordance with § 33 section 1 or section 2 German Securities Trading Act (Wertpapierhandelsgesetz – WpHG).

The table 'Notified reportable shareholdings' reflects reportable shareholdings in adidas AG as at the balance sheet date that have each been notified to adidas AG. In each case, the details relate to the most recent voting rights notification received by adidas AG from the parties obligated to notify. All voting rights notifications disclosed by adidas AG in the year under review are available on the corporate website.

▶ ADIDAS-GROUP.COM/VOTING_RIGHTS_NOTIFICATIONS

Notified reportable shareholdings

Notifying party	Date of reaching, exceeding or falling below	Reporting threshold	Notification obligations and attributions in accordance with WpHG	Voting rights attached to shares (in %)	Instruments (in %)	Total of voting rights attached to shares and instruments (in %)
BlackRock, Inc., Wilmington, Delaware, USA[1]	August 8, 2025	5%	§§ 34, 38 par. 1 no. 1, 2	7.24	0.47	7.71
The Capital Group Companies, Inc., Los Angeles, USA	August 5, 2025	3%	§ 34	2.97	—	2.97
Flossbach von Storch SE, Cologne, Germany	August 1, 2025	3%	§ 34	3.07	—	3.07
Amundi S.A., Paris, France	July 31, 2025	5%	§§ 34, 38 par. 1 no. 1	4.86	0.25	5.11
Ministry of Finance on behalf of the State of Norway, Oslo, Norway	June 30, 2025	5%	§ 34	5.11	—	5.11
The Desmarais Family Residuary Trust (Montreal, Canada), Gérald Frère and Ségolène Gallienne-Frère	October 24, 2024	5%	§ 34	3.51	—	3.51
The Goldman Sachs Group, Inc., Wilmington, DE, USA	December 12, 2023	5%	§§ 34, 38 par. 1 no. 1, 2	0.18	4.77	4.95
Elian Corporate Trustee (Cayman) Limited, Camana Bay, Grand Cayman, Cayman Islands[1]	September 16, 2022	5%	§§ 34, 38 par. 1 no. 2	3.13	3.33	6.46

1 Voluntary group notification due to threshold crossing on the subsidiary level.

The details on the percentage of shareholdings and voting rights may no longer be up to date.

Capital management

The company's policy is to maintain a strong capital base so as to uphold investor, creditor, and market confidence and to sustain future development of the business.

adidas seeks to maintain a balance between a higher return on equity that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position. The company further aims to maintain adjusted net borrowings below two times EBITDA (Earnings before interests, taxes, depreciation and amortization, and impairment losses and reversals) over the long term. adidas has strong investment grade ratings from Standard & Poor's and Moody's. In June 2025, S&P upgraded the rating from 'A-' to 'A', citing stronger-than-expected deleveraging and sustained momentum in underlying operating performance. Moody's rates adidas 'A3'. The outlook for both ratings is stable. Overall, adidas' investment-grade credit ratings continue to ensure an efficient access to capital markets.

Financial leverage amounts to 75.0% (2024: 66.1%) and is defined as the ratio between adjusted net borrowings in an amount of € 4.331 billion (2024: € 3.622 billion) and shareholders' equity in an amount of €5.776 billion (2024: € 5.476 billion). EBITDA amounted to €3.124 billion for the financial year ending December 31, 2025 (2024: € 2.465 billion). The ratio between adjusted net borrowings and EBITDA amounted to 1.4 for the 2025 financial year (2024: 1.5).

Composition of EBITDA € in millions

	2025	2024
Income before taxes	**1,820**	**1,121**
Adjustments for:		
Depreciation, amortization, and impairment losses	1,154	1,208
Reversals of impairment losses	(19)	(28)
Interest income	(58)	(57)
Interest expense	227	221
EBITDA	**3,124**	**2,465**

The composition of the adjusted net borrowings is presented below:

Composition of adjusted net borrowings € in millions

	Dec. 31, 2025	Dec. 31, 2024
Short-term borrowings	645	570
Long-term borrowings	1,996	1,915
Current lease liability	603	607
Non-current lease liability	2,310	2,495
Pensions and similar obligations	106	144
Factoring	—	21
Subtotal	**5,661**	**5,752**
Cash and cash equivalents	1,617	2,455
Less trapped cash	287	325
Less accessible cash and cash equivalents	**1,330**	**2,130**
Adjusted net borrowings	**4,331**	**3,622**

Reserves

Reserves within shareholders' equity are as follows:

— Capital reserve: primarily comprises the paid premium for the issuance of share capital as well as expenses recognized for share-based payment for Executive Board members and third parties.

— Cumulative currency translation differences: comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

— Hedging reserve: comprises the effective portion of the cumulative net change in the fair value of cash flow hedges (intrinsic value for options and spot component for forward contracts) related to hedged transactions that have not yet occurred, hedges of net investments in foreign subsidiaries, and the effective portion of the cumulative net change in the fair value of the total return swap.

— Cost of hedging reserve – options: comprises the effective portion of the cumulative net change in the fair value of cash flow hedges reflecting cost of hedging of options (time value and premium).

— Cost of hedging reserve – forward contracts: comprises the effective portion of the cumulative net change in the fair value of cash flow hedges reflecting cost of hedging of forward contracts (forward component).

— Other reserves: comprises the remeasurements of defined benefit plans consisting of the cumulative net change of actuarial gains or losses relating to the defined benefit obligations, the return on plan assets (excluding interest income) and the asset ceiling effect, the remeasurement of the fair value of the equity investments measured at fair value through other comprehensive income, expenses recognized for share option plans, and effects from the acquisition of non-controlling interests, as well as reserves required by law.

— Retained earnings: comprises both amounts that are required by the Articles of Association and voluntary amounts that have been set aside by adidas. The reserve includes the unappropriated accumulated profits less dividends paid, and consideration paid for the repurchase of adidas AG shares exceeding the nominal value. In addition, the item includes the effects of the employee stock purchase plan and the transition effects of the implementation of new IFRS Accounting Standards.

The capital reserve includes restricted capital in an amount of € 4 million (2024: € 4 million). Furthermore, other reserves include additional restricted capital in an amount of € 201 million (2024: €176 million).

Distributable profits and dividends

Profits distributable to shareholders are determined by reference to the retained earnings of adidas AG and calculated under German commercial law.

Based on the resolution of the 2025 Annual General Meeting, the dividend for 2024 was € 2.00 per share (total amount: approx. € 357 million).

The Executive Board of adidas AG will propose to use retained earnings of adidas AG in an amount of € 1,022 million as reported in the 2025 financial statements of adidas AG for a dividend payment of € 2.80 per share and to carry forward the subsequent remaining amount.

As at February 19, 2026, 177,348,936 dividend-entitled shares exist. This would result in a dividend payment of € 497 million.

26 Share-based payment

Equity-settled share-based payment transactions with employees

In 2016, adidas announced the introduction of an open-ended employee stock purchase plan (the ‘plan’). The plan is operated on a quarterly basis, with each calendar quarter referred to as an ‘investment quarter.’

The plan enables employees to purchase adidas AG shares with a 15% discount (‘investment shares’) and to benefit from free matching shares. Currently, eligible employees of adidas AG and 17 other subsidiaries can participate in the plan. Up to two weeks before the start of an investment quarter, each eligible employee can enroll for the plan. The company accepts enrollment requests on the first day of the relevant investment quarter. This is the grant date for the investment and matching shares. The fair value at the vesting date is equivalent to the fair value of the granted equity instruments at this date. The employees invest an amount up to 10% of their gross base salary per quarter in the plan. A few days after the end of the investment quarter, the shares are purchased on the market at fair market value and transferred to the

employees. Thereby the amount invested during the quarter plus the top-up from adidas is used. These shares can be sold at any time by the employee. If the shares are held for a period of one year after the last day of an investment quarter, employees will receive, as a one-off, free matching shares (one matching share for every six adidas AG shares acquired). This plan currently constitutes an equity-settled share-based payment for both elements. For the component of the matching shares relating to the specific period of service, an appropriate discount is taken into account. The effects are presented in the following table:

Equity-settled share-based payment transactions with employees

	As at December 31, 2024	As at December 31, 2025				
	29th investment quarter	29th investment quarter	30th investment quarter	31st investment quarter	32nd investment quarter	33rd investment quarter
Grant date	Oct. 1, 2024	Oct. 1, 2024	Jan. 2, 2025	Apr. 1, 2025	Jul. 1, 2025	Oct. 1, 2025
Share price at grant date (in €)	232.80	232.80	236.70	223.30	206.20	186.55
Share price at December 31 (in €)	236.80					169.05
Number of granted investment shares based on the share price as at December 31	25,507					36,323
Number of actually purchased investment shares	—	26,644	37,081	31,650	37,094	—
Outstanding granted matching shares based on the share price as at December 31 or actually purchased investment shares	4,251	—	6,180	5,275	6,182	6,054
Average remaining vesting period in months as at December 31 (in months)	12	—	3	6	9	12

The number of forfeited matching shares during the period amounted to 3,027 (2024: 1,375).

In 2025, the total expenses recognized relating to investment shares amounted to € 4.3 million (2024: € 3.5 million).

Expenses recognized relating to vesting of matching shares amounted to € 3.3 million in 2025 (2024: € 3.1 million).

As at December 31, 2025, a total amount of € 6.1 million (2024: € 6 million) was invested by the participants in the stock purchase plan and was not yet transferred into shares by the end of December. Therefore, this amount has been included in 'Other current financial liabilities.'

▶ SEE NOTE 17

Further information about the purchase of shares for the employee stock purchase plan is provided in these Notes.

▶ SEE NOTE 25

Equity-settled share-based payment transactions with third parties

In 2023, adidas entered into a promotion and advertising contract that includes a share-based payment transaction with third parties. The contract has a term of up to five years. The agreement grants a transfer of shares, which correspond up to a value of US $ 26 million. In 2025, shares in a value of US $ 15 million were transferred.

The expenses for shares are recognized over the vesting period of five years. The expense amounts to € 6 million in 2025 (2024: € 7 million).

Equity-settled share-based payment for Executive Board members

The 'Long-Term-Incentive-Plan' ('LTIP') pursues the goal of aligning the long-term performance-based variable remuneration of the Executive Board with the performance of the company and thus with the interests of the shareholders.

Long-Term-Incentive-Plan until 2023

Until 2023 it consists of annual tranches, each with a term of five years. Each of the annual tranches consists of a performance year and a subsequent four-year holding period. For this LTIP, the Supervisory Board has set financial and ESG-related performance criteria for each of the performance years.

As of December 31, 2025, the total number of adidas AG shares acquired since 2021 until 2023 as part of the variable performance-based compensation and subject to a holding period amounts to 19,573 no-par-value shares (2024: 55,208 no-par-value shares acquired since 2020). The number of adidas AG shares acquired by the members of the Executive Board is shown below:

LTIP Bonus: Acquisition of shares in the context of the long-term variable compensation in €

LTIP tranche	2023	2022
Grant amount	7,599,000	—
Payout amount	3,961,806	—
Purchase price	202.40	—
Number of purchased shares	**19,573**	**—**
End of lock-up period	Dec. 31, 2027	—

Long-Term-Incentive-Plan 2024

As part of the compensation system applicable from 2024, the Supervisory Board has introduced a revised Long-Term-Incentive-Plan (LTIP) for the long-term performance-related variable compensation. This LTIP consists of annual tranches with a term of four years each. The performance period is three years. The LTIP Bonus granted has to be fully invested into the acquisition of adidas AG shares after deducting applicable taxes and social security contributions. The shares acquired are subject to a one-year lock-up period. The LTIP payout amount is considered earned only after expiry of the lock-up period and only then can the Executive Board members dispose of the shares. The performance criteria determined in the LTIP comprise operating profit, relative shareholder return compared to the DAX, and two ESG targets.

Share-based payment arrangements, particularly those linked to the Total Shareholder Return (TSR) metric, are recognized with a fair value. This model ensures that awards under the LTIP made to employees are valued accurately at the grant date and expensed over the period they vest.

To assess the fair value of share plans tied to the TSR, the company used a Monte Carlo Simulation model. The TSR metric considers both share price appreciation and dividends paid, providing a detailed measure of the returns delivered to adidas shareholders relative to the DAX.

Key parameters in the Monte Carlo Simulation are:

— The expected volatility of the adidas AG share. Historical share price data is analyzed to estimate the fluctuation of the share price over the vesting period.
— The risk-free interest rate, which is usually determined by yields on government bonds with a term that aligns with the vesting period of the LTIP.
— The anticipated dividends that shareholders may receive during the vesting period are factored into the simulation, which influences the total returns calculated in the TSR metric.
— The duration over which the TSR is measured.

A substantial number of simulation scenarios for TSR are generated to capture a wider range of potential outcomes for future share price movements. The expected value derived from the Monte Carlo model is a combination of TSR simulations and expectations on the other non-market KPIs which are regularly updated in their entirety.

Assumptions for valuation at grant

	LTIP-Tranche 2025		LTIP-Tranche 2024	
	adidas	DAX	adidas	DAX
Expected term	3 years	3 years	3 years	3 years
Share price/DAX price index	227.50	19,558.88	179.72	15,778.70
Expected volatility	36.2%	17.0%	36.6%	17.5%
Risk-free rate	2.0%	2.0%	2.4%	2.4%
Number of RSUs based on the average share price 60 days before grant date	29,159	n/a	40,237	n/a

The expected value of adidas LTIP as at December 31, 2025 amounts for the 2024 LTIP tranche to 120.3% and for the 2025 LTIP tranche to 100.3%.

The annual LTIP tranche (‘Grant Amount’) is paid to the Executive Board members after the end of the performance period and after approval of the consolidated financial statements and is to be fully invested by the Executive Board members in the acquisition of adidas AG shares. Only after the end of each holding period can the Executive Board members dispose of the shares.

Cash-settled share-based payment transactions with employees

Long-Term-Incentive-Plan 2017 to 2024

In 2017, adidas implemented a Long-Term-Incentive-Plan (LTIP), which is a share-based remuneration scheme with cash settlement. ‘RSUs’ (‘Restricted Stock Units’) are granted on the condition that the beneficiary is employed for three or four years by adidas AG or one of its subsidiaries in a position where they are not under notice during that period. In exceptional cases, RSUs can be granted with a minimum term of employment of one and two years.

The total value of the cash remuneration payable to senior management is recalculated on each reporting date and on the settlement date, based on the fair value of the RSUs, and recognized through an appropriate adjustment in the provision as personnel expenses that are spread over the period of service of the beneficiary. Furthermore, social security contributions are considered in the calculation of the fair value, if appropriate for the respective country regulations and the seniority of the participants. All changes to the subsequent measurement of this provision are reported under personnel expenses.

Once a year, one tranche with a three-year term and another with a four-year term are issued. The number of RSUs granted depends on the seniority of the beneficiaries. In addition, for the four-year plan, the number of RSUs also depends on the achievement of a financial and ESG-related target. In addition, in 2023 and in 2024, the option to issue one additional tranche with a two-year maturity was exercised.

The value of one RSU is the average price of the adidas AG share as quoted for the first 20 stock exchange trading days in January of the respective financial year.

New Long-Term Incentive Plan 2025

In 2025, adidas introduced a revised Long-Term-Incentive Plan (LTIP) that represents a share-based compensation with cash settlement. 'RSUs' ('Restricted Stock Units') are granted on the condition that the beneficiary is employed for three years by adidas AG or one of its subsidiaries in a position where they are not under notice during that period. This minimum period of employment pertains to the calendar year in which the RSUs are granted and the two subsequent calendar years. This LTIP consists of annual tranches with a term of three years each and an annual allocation of virtual RSUs. The performance period is three years. The performance criteria determined in the LTIP 2025 comprise operating profit, relative shareholder return compared to the DAX, and two ESG targets. In exceptional cases, RSUs can be granted with a minimum term of employment of one and two years.

Share-based payment arrangements, particularly those linked to the Total Shareholder Return (TSR) metric, are measured at fair value of the liability. This model ensures that awards under the LTIP made to employees are valued accurately at the reporting date and expensed over the period they vest.

To assess the fair value of share plans tied to the TSR, the company used a Monte Carlo Simulation model. The details of this simulation model are described in this notes section under 'Equity-settled share-based payments to Executive Board Members.'

The total value of the cash remuneration payable to senior management is recalculated on each reporting date and on the settlement date, based on the fair value of the RSUs, and recognized through an appropriate adjustment in the provision as personnel expenses that are spread over the period of service of the beneficiary. Furthermore, social security contributions are considered in the calculation of the fair value, if appropriate for the respective country regulations and the seniority of the participants. All changes to the subsequent measurement of this provision are reported under personnel expenses.

An annual LTIP tranche with a three-year term is issued. The number of RSUs granted depends on the seniority of the beneficiaries. In addition, in 2025, the option to issue two additional tranches with a two-year and a one-year maturity was exercised.

The value of one RSU is the average price of the adidas AG share as quoted for the 60 stock exchange trading days prior to the start of the performance period in January of each respective financial year.

The following table shows all outstanding RSUs from share-based compensation to employees:

Cash-settled share-based payment transactions with employees

Number of outstanding RSUs	As at December 31, 2025	As at December 31, 2024
Plan year		
2021 – 4-year tranche	—	147,298
2022 – 4-year tranche	51,929	63,456
2022 – 3-year tranche	—	182,481
2023 – 4-year tranche	196,090	238,711
2023 – 3-year tranche	83,686	100,857
2023 – 2-year tranche	—	10,992
2024 – 4-year tranche	236,159	290,382
2024 – 3-year tranche	257,455	293,906
2024 – 2-year tranche	1,291	1,398
2025 – 4-year tranche	189,621	—
2025 – 3-year tranche	201,131	—
2025 – 2-year tranche	392	—
2025 – 1-year tranche	1,442	—
Total number of outstanding RSUs	1,219,196	1,329,481

The fair value is based on the closing price of the adidas AG share on the respective balance sheet date, adjusted for future dividend payments.

In 2025, this resulted in an expense of € 70 million (2024: € 80 million). The corresponding provision amounted to € 108 million (2024: € 163 million).

27 Non-controlling interests

This line item within equity comprises the non-controlling interests in subsidiaries that are not directly or indirectly attributable to adidas AG.

Non-controlling interests are assigned to one subsidiary.

Subsidiaries with non-controlling interests

Legal entity name	Principal place of business	Ownership interests held by non-controlling interests	
		Dec. 31, 2025	Dec. 31, 2024
Agron, Inc.	USA	100%	100%

The following table presents the main financial information of the subsidiary with non-controlling interests before elimination.

Financial information of the subsidiary with non-controlling interests € in millions

	Non-controlling interests	
	Dec. 31, 2025	Dec. 31, 2024
	Total	Total
Net sales	439	504
Net income	**45**	**68**
Net income attributable to non-controlling interests	**45**	**68**
Other comprehensive income	(45)	24
Total comprehensive income	**(1)**	**92**
Total comprehensive income attributable to non-controlling interests	**(1)**	**92**
Current assets	344	377
Non-current assets	95	109
Current liabilities	(67)	(90)
Non-current liabilities	(23)	(4)
Net assets	**349**	**392**
Net assets attributable to non-controlling interests according to the consolidated statement of financial position	**349**	**392**
Net cash generated from operating activities	47	129
Net cash used in investing activities	3	(34)
Net cash used in financing activities	(47)	(40)
Net increase of cash and cash equivalents	**3**	**55**
Dividends paid to non-controlling interests during the year[1]	**42**	**40**

1 Included in net cash used in financing activities.

28 Financial instruments

Additional information on financial instruments

Carrying amounts of financial instruments and their fair values including hierarchy according to IFRS 13 € in millions

	Category	December 31, 2025					December 31, 2024				
		Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets											
Cash and cash equivalents											
Cash and cash equivalents	Amortized cost	691		—	—	—	959		—	—	—
Cash equivalents	Fair value through profit or loss	926	926	—	926	—	1,496	1,496	—	1,496	—
Accounts receivable	Amortized cost	2,634		—	—	—	2,413		—	—	—

Carrying amounts of financial instruments and their fair values including hierarchy according to IFRS 13 € in millions

	Category	December 31, 2025					December 31, 2024				
		Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Other current financial assets											
Derivatives used in hedge accounting	n.a.	86	86	—	86	—	213	213	—	213	—
Derivatives not used in hedge accounting	Fair value through profit or loss	26	26	—	26	—	26	26	—	26	—
Earn-out components	Fair value through profit or loss	75	75	—	—	75	58	58	—	—	58
Earn-out components	Amortized cost	—		—	—	—	99		—	—	—
Other investments	n.a.	23	23	—	23	—	75	75	—	75	—
Other financial assets	Amortized cost	308		—	—	—	479		—	—	—
Long-term financial assets											
Other equity investments	Fair value through profit or loss	93	93	—	—	93	94	94	—	—	94
Other equity investments	Fair value through other comprehensive income	26	26	0	—	25	83	83	0	—	83
Other investments	Fair value through profit or loss	50	50	—	50	—	50	50	—	50	—
Other investments	n.a.	184	184	—	184	—	113	113	—	113	—
Other non-current financial assets											
Derivatives used in hedge accounting	n.a.	4	4	—	4	—	13	13	—	13	—
Earn-out components	Fair value through profit or loss	87	87	—	—	87	97	97	—	—	97
Other financial investments	Fair value through profit or loss	30	30	30	—	—	—	—	—	—	—
Other financial assets	Amortized cost	96		—	—	—	123		—	—	—
Financial assets per level				**30**	**1,299**	**281**			**0**	**1,986**	**331**
Financial liabilities											
Short-term borrowings											
Bank borrowings	Amortized cost	246		—	—	—	70		—	—	—
Eurobond	Amortized cost	400	400	400	—	—	499	502	502	—	—
Accounts payable	Amortized cost	2,910		—	—	—	3,096		—	—	—
Current accrued liabilities	Amortized cost	825		—	—	—	1,019		—	—	—
Current accrued liabilities for customer discounts	Amortized cost	685		—	—	—	667		—	—	—
Other current financial liabilities											
Derivatives used in hedge accounting	n.a.	248	248	—	248	—	62	62	—	62	—

Carrying amounts of financial instruments and their fair values including hierarchy according to IFRS 13 € in millions

	Category	December 31, 2025					December 31, 2024				
		Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
Derivatives not used in hedge accounting	Fair value through profit or loss	24	24	—	24	—	15	15	—	15	—
Other financial liabilities	Amortized cost	63		—	—	—	114		—	—	—
Current lease liabilities	n.a.	603		—	—	—	607		—	—	—
Long-term borrowings											
Bank borrowings	Amortized cost	7	7	—	7	—	26	26	—	26	—
Eurobond	Amortized cost	1,990	1,850	1,850	—	—	1,889	1,742	1,742	—	—
Other non-current financial liabilities											
Derivatives used in hedge accounting	n.a.	7	7	—	7	—	1	1	—	1	—
Non-current lease liabilities	n.a.	2,310		—	—	—	2,495		—	—	—
Financial liabilities per level				**2,249**	**285**	**—**			**2,243**	**104**	**—**
Thereof: aggregated by category according to IFRS 9											
Financial assets at fair value through profit or loss (FVTPL)		1,288					1,820				
Financial assets at fair value through other comprehensive income (FVOCI)		26					83				
Thereof: equity investments (without recycling to profit and loss)		26					83				
Financial assets at amortized cost (AC)		3,730					4,073				
Financial liabilities at fair value through profit or loss (FVTPL)		24					15				
Financial liabilities at amortized cost (AC)		7,125					7,381				

Level 1 is based on quoted prices in active markets for identical assets or liabilities.

Level 2 is based on inputs other than quoted prices included within Level 1 that are observable for the assets or liabilities, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 is based on inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Reconciliation of fair value hierarchy Level 3 in 2025 € in millions

	Fair value Jan. 1, 2025	Additions	Disposals	Realized Gains	Realized Losses	Unrealized Gains	Unrealized Losses	Transfers	Currency translation	Fair value Dec. 31, 2025
Investments in other equity instruments held for trading (FAHfT)	91	—	—	—	—	2	—	—	—	93
Investments in other equity instruments (FVTPL)	2	—	—	(0)	—	—	(2)	—	—	—
Investments in other equity instruments (FVOCI)	83	2	—	—	—	0	(60)	—	—	25
Earn-out components (assets)	155	—	—	—	—	7	—	—	—	162

Reconciliation of fair value hierarchy Level 3 in 2024 € in millions

	Fair value Jan. 1, 2024	Additions	Disposals	Realized Gains	Realized Losses	Unrealized Gains	Unrealized Losses	Transfers	Currency translation	Fair value Dec. 31, 2024
Investments in other equity instruments held for trading (FAHfT)	89	—	—	—	—	3	—	—	—	91
Investments in other equity instruments (FVTPL)	2	—	—	—	—	—	—	—	—	2
Investments in other equity instruments (FVOCI)	82	—	(0)	—	—	1	—	—	—	83
Earn-out components (assets)	301	—	(100)	—	—	53	—	(99)	—	155

Due to the short-term maturities of cash and cash equivalents, short-term financial assets, and accounts receivable and payable, as well as other current financial receivables and payables, their respective fair values equal their carrying amount.

The fair values of non-current financial assets and liabilities are estimated by discounting expected future cash flows using current interest rates for debt of similar terms and remaining maturities and adjusted by a company-specific credit risk premium or measured at market prices.

Fair values of long-term financial assets are based on quoted market prices in an active market or are calculated as present values of expected future cash flows.

adidas designated certain investments as equity securities at fair value through other comprehensive income (equity), because the company intends to hold those investments for the long term in order to gain insights into innovative production technologies and trends. The designation of certain equity instruments at fair value through other comprehensive income (equity) is based on a strategic management decision.

In accordance with IFRS 13, the following tables show the valuation methods used in measuring Level 1, Level 2, and Level 3 fair values, as well as the significant unobservable inputs used. No reclassifications between hierarchy levels were made in 2025. A review of the hierarchy levels is carried out regularly by adidas.

Financial instruments Level 1 measured at fair value

Type	Valuation method	Significant unobservable inputs	Category
Eurobond	The fair value is based on the market price of the eurobond on the balance sheet date.	Not applicable	Amortized cost
Other equity investments	The fair value is based on the market price of the investment on the balance sheet date.	Not applicable	Fair value through other comprehensive income
Other financial investments	The fair value is based on the market price of the investment on the balance sheet date.	Not applicable	Fair value through profit and loss

Financial instruments Level 2 measured at fair value

Type	Valuation method	Significant unobservable inputs	Category
Cash equivalents and short-term financial assets (money market funds)	The discounted cash flow method is applied, which considers the present value of expected payments, discounted using a risk-adjusted discount rate. Due to their short-term maturities, it is assumed that their respective fair value is equal to the notional amount.	Not applicable	Fair value through profit or loss
Long-term financial assets (investment securities)	The fair value is based on the market price of the assets on the balance sheet date.	Not applicable	Fair value through profit or loss
Forward exchange contracts	adidas applies the par method (forward NPV) for all currency pairs to calculate the fair value, implying actively traded forward curves.	Not applicable	n.a./fair value through profit or loss
Currency options	adidas applies among others the Garman-Kohlhagen model, which is an extended version of the Black-Scholes model.	Not applicable	n.a./fair value through profit or loss
Total return swap (for own shares)	The fair value is based on the market price of the adidas AG share on the balance sheet date, minus accrued interest.	Not applicable	n.a./fair value through profit or loss

Financial instruments Level 3 measured at fair value

Type	Valuation method	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	Category
Investment in FC Bayern München AG	This equity security does not have a quoted market price in an active market. Existing contractual arrangements (based on the externally observable dividend policy of FC Bayern München AG) are used in order to calculate the fair value on the balance sheet date. These dividends are recognized in other financial income.	See column 'Valuation method'		Fair value through profit or loss
Earn-out components (assets)	The valuation is based on the DCF Method, considering Monte Carlo Simulations to simulate future gross royalty income. The derived earn-out payments are discounted using a risk-adjusted discount rate. The fair value adjustment is recognized in discontinued operations.	Risk-adjusted maturity-specific discount rate (9.0% – 9.3%), gross royalty income	The estimated fair value would increase by 17% (decrease by 17%) if gross royalty income were 10% higher (10% lower). The estimated fair value would increase by 2% (decrease by 1%) if the risk-adjusted discount rate was 1pp lower (1pp higher).	Fair value through profit or loss
Investments in other equity instruments (fair value through profit or loss)	The significant inputs (financing rounds) used to measure fair value include one or more events where objective evidence of any changes was identified, considering expectations regarding future business development. The fair value adjustment is recognized in other financial result.	See column 'Valuation method'		Fair value through profit or loss
Investments in other equity instruments (fair value through other comprehensive income)	The option to measure equity instruments at fair value through other comprehensive income upon implementation of IFRS 9 has been exercised. The significant inputs (financing rounds) used to measure fair value include one or more events where objective evidence of any changes was identified, considering expectations regarding future business development. The fair value adjustment is recognized in other reserves.	See column 'Valuation method'		Fair value through other comprehensive income

Net gains/(losses) on financial instruments recognized in the consolidated income statement € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Financial assets classified at amortized cost (AC)	(7)	13
Financial assets at fair value through profit or loss (FVTPL)	40	101
Thereof: designated as such upon initial recognition	—	—
Equity instruments at fair value through profit or loss (FVTPL)	(0)	3
Thereof: designated as such upon initial recognition	—	—
Equity instruments at fair value through other comprehensive income (FVOCI)	—	—
Financial liabilities at amortized cost (AC)	11	6
Financial liabilities at fair value through profit or loss (FVTPL)	(22)	0
Thereof: designated as such upon initial recognition	—	—

Net gains or losses on financial assets measured at amortized cost comprise mainly impairment losses and reversals.

Net gains or losses on financial assets or financial liabilities classified as fair value through profit or loss include the effects from fair value measurements of the derivatives that are not part of a hedging

relationship, and changes in the fair value of other financial instruments as well as interest expenses. At the time of realization of financial instruments classified at fair value through profit or loss, € 169 million was recognized as an expense in 2025.

Net gains or losses on equity instruments at fair value through profit or loss mainly include fair value adjustments based on the respective valuation method.

▶ SEE TABLE 'FINANCIAL INSTRUMENTS LEVEL 3 MEASURED AT FAIR VALUE'

During 2025, no dividends regarding equity instruments at fair value through other comprehensive income were recognized.

Net gains or losses on financial liabilities measured at amortized cost include effects from early settlement and reversals of accrued liabilities and refund liabilities.

Notional amounts of all outstanding currency hedging instruments € in millions

	Dec. 31, 2025	Dec. 31, 2024
Forward exchange contracts	11,156	9,734
Currency options	1,397	853
Total	**12,552**	**10,587**

Fair values € in millions

	Dec. 31, 2025		Dec. 31, 2024	
	Positive fair value	Negative fair value	Positive fair value	Negative fair value
Forward exchange contracts	104	(221)	229	(78)
Currency options	9	(56)	23	(1)
Total	**113**	**(277)**	**252**	**(79)**

Notional amounts of outstanding US dollar hedging instruments € in millions

	Dec. 31, 2025	Dec. 31, 2024
Forward exchange contracts	6,256	4,761
Currency options	1,263	690
Total	**7,519**	**5,451**

Financial risks

Currency risks

Currency risks, to which adidas is particularly exposed, are a direct result of multi-currency cash flows within the company. The vast majority of the transactional risk arises from product sourcing in US dollars, while sales are typically denominated in the functional currency of the respective companies. The currencies in which these transactional risks are mainly denominated are the US dollar, British pound, Japanese yen, and Korean won.

As governed by the company's Treasury Policy, adidas has established a hedging system on a rolling basis up to 24 months in advance, under which the vast majority of the anticipated seasonal hedging volume is secured approximately six months prior to the start of a season. In rare instances, hedges are contracted beyond the 24-month horizon.

adidas uses a combination of different hedging instruments, such as forward exchange contracts, currency options, and currency swaps or combinations of different instruments, to protect itself against unfavorable currency movements. These contracts are generally designated as cash flow hedges.

Furthermore, translation impacts from the conversion of non-euro-denominated results into the company's functional currency, the euro, might lead to a material negative impact on the company's financial performance.

Further information about the accounting and hedge accounting treatment is included in these Notes.
▶ SEE NOTE 02

Exposures are presented in the following table:

Exposure to foreign exchange risk based on notional amounts € in millions

	USD	GBP	JPY	KRW
As at December 31, 2025				
Exposure from firm commitments and forecast transactions	(6,553)	877	514	428
Balance sheet exposure including intercompany exposure	(326)	(64)	5	57
Total gross exposure	**(6,879)**	**813**	**519**	**485**
Hedged with currency options	1,263	—	(134)	—
Hedged with forward contracts	4,243	(532)	(123)	(258)
Net exposure	**(1,373)**	**281**	**262**	**227**
As at December 31, 2024		**—**	**—**	**—**
Exposure from firm commitments and forecast transactions	(6,676)	1,095	507	450
Balance sheet exposure including intercompany exposure	(83)	(7)	7	59
Total gross exposure	**(6,759)**	**1,088**	**514**	**509**
Hedged with currency options	690	—	(163)	—
Hedged with forward contracts	3,259	(853)	(204)	(304)
Net exposure	**(2,810)**	**235**	**147**	**205**

The exposure from firm commitments and forecast transactions was calculated on a one-year basis.

In line with IFRS 7 requirements, the company has calculated the impact on net income and shareholders' equity based on changes in the most important currency exchange rates. The calculated impacts mainly result from changes in the fair value of the hedging instruments. The analysis does not include effects that arise from the translation of the company's foreign entities' financial statements into the company's reporting currency, the euro. The sensitivity analysis is based on the net balance sheet exposure, including intercompany balances from monetary assets and liabilities denominated in foreign currencies. Moreover, all outstanding currency derivatives were re-evaluated using hypothetical foreign exchange rates to determine the effects on net income and equity.

Sensitivity analysis of foreign exchange rate changes € in millions

	USD	GBP	JPY	KRW
As at December 31, 2025				
	EUR +10%	**EUR +10%**	**EUR +10%**	**EUR +10%**
Equity	(395)	46	19	20
Net income	(4)	5	—	(3)
	EUR -10%	**EUR -10%**	**EUR -10%**	**EUR -10%**
Equity	484	(57)	(21)	(24)
Net income	5	(6)	1	10
As at December 31, 2024				
	EUR +10%	**EUR +10%**	**EUR +10%**	**EUR +10%**
Equity	(280)	74	29	23
Net income	(8)	—	—	(4)
	EUR -10%	**EUR -10%**	**EUR -10%**	**EUR -10%**
Equity	355	(91)	(34)	(29)
Net income	10	(1)	1	6

Based on this analysis, a 10% increase in the euro versus the US dollar at December 31, 2025, would have led to a € 4 million decrease in net income.

The more negative market values of the US dollar hedges would have decreased shareholders' equity by € 395 million. A 10% weaker euro at December 31, 2025, would have led to a € 5 million increase in net income. Shareholders' equity would have increased by € 484 million. The impacts of fluctuations of the euro against the British pound, the Japanese yen, and the Korean won on net income and shareholders' equity are also included in accordance with IFRS Accounting Standards requirements.

However, many other financial and operational variables that could potentially reduce the effect of currency fluctuations are excluded from the analysis. For instance:

— Interest rates, commodity prices, and all other exchange rates are assumed constant.
— Exchange rates are assumed at a year-end value instead of the more relevant sales-weighted average figure, which the company utilizes internally to better reflect both the seasonality of its business and intra-year currency fluctuations.
— The underlying forecast cash flow exposure (which the hedge instrument mainly relates to) is not required to be revalued in this analysis.
— Operational aspects, such as potential discounts for key accounts, which have high transparency regarding the impacts of currency on our sourcing activities (due to their own private label sourcing efforts), are also excluded from this analysis.
— The credit risk is not considered as part of this analysis.

The company also largely hedges balance sheet risks. Due to its strong global position, adidas is able to partly minimize the currency risk by utilizing natural hedges. The company's gross US dollar cash flow exposure calculated for 2025 was around € 8.7 billion at year-end 2025, which was hedged using forward exchange contracts, currency options, currency swaps, or combinations of different instruments.

Credit risks

A credit risk arises if a customer or other counterparty to a financial instrument fails to meet its contractual obligations. adidas is exposed to credit risks from its operating activities and from certain financing

activities. Credit risks arise principally from accounts receivable and, to a lesser extent, from other third-party contractual financial obligations such as other financial assets, short-term bank deposits, and derivative financial instruments. Without taking into account any collateral or other credit enhancements, the carrying amount of financial assets and accounts receivable represents the maximum exposure to credit risk.

At the end of 2025, there was no relevant concentration of credit risk by type of customer or geography. The company's credit risk exposure is mainly influenced by individual customer characteristics. Under the company's credit policy, new customers are analyzed for creditworthiness before standard payment and delivery terms and conditions are offered. Tolerance limits for accounts receivable are also established for each customer. Both creditworthiness and accounts receivable limits are monitored on an ongoing basis. Customers that fail to meet the company's minimum creditworthiness are, in general, allowed to purchase products only on a prepayment basis.

Other activities to mitigate credit risks include retention of title clauses as well as, on a selective basis, credit insurance, the sale of accounts receivable without recourse, and bank guarantees. Further quantitative information on the extent to which credit enhancements mitigate the credit risk of accounts receivable is included in these Notes.

▶ SEE NOTE 05

At the end of 2025, no customer accounted for more than 10% of accounts receivable.

The Treasury department arranges currency, commodity, interest rate, and equity hedges, and invests cash with major banks of a high credit standing throughout the world. adidas subsidiaries are authorized to work with banks rated BBB+ or higher. Only in exceptional cases are subsidiaries authorized to work with banks rated lower than BBB+. To limit risk in these cases, restrictions are clearly stipulated, such as maximum cash deposit levels. In addition, the credit default swap premiums of the company's partner banks are monitored on a monthly basis. In the event that the defined threshold is exceeded, credit balances are shifted to banks compliant with the limit.

adidas furthermore believes that the risk concentration is limited due to the broad distribution of the investment business of the company with a high number of globally operating banks. At December 31, 2025, no bank accounted for more than 10% of the investments of adidas. Including subsidiaries' short-term deposits in local banks, the average concentration was 1%. This leads to a maximum exposure of € 99 million in the event of default of any single bank. The investment exposure was further diversified by investing into AAA-rated money market funds.

In addition, in 2025, adidas held derivatives of foreign exchange with a positive fair market value in the amount of € 113 million. The maximum exposure to any single bank resulting from these assets amounted to € 33 million and the average concentration was 9%.

In accordance with IFRS 7, the following table includes further information about set-off possibilities of financial assets and liabilities. The majority of agreements between financial institutions and adidas include a mutual right to set off. However, these agreements do not meet the criteria for offsetting in the statement of financial position, because the right to set off is enforceable only in the event of counterparty defaults. The table below shows the financial instruments which qualify for set-off in the statement of financial position, as well as the gross amounts of recognized financial assets and liabilities, as they do not meet the criteria for offsetting in the financial statement, even though there is a mutual right to set off between the counterparties in place.

The carrying amounts of recognized financial instruments, which are subject to the agreements mentioned here, are also presented in the following table:

Set-off possibilities of financial assets and liabilities € in millions

	2025		2024	
Assets	**Derivatives**	**Other investments**	**Derivatives**	**Other investments**
Gross amounts of recognized financial assets	115	206	258	188
Financial instruments which qualify for set-off in the statement of financial position	(2)	—	(5)	—
Net amounts of financial assets presented in the statement of financial position	**113**	**206**	**252**	**188**
Set-off possible due to master agreements	(114)	—	(75)	—
Total net amount of financial assets	**(1)**	**206**	**178**	**188**
Liabilities				
Gross amounts of recognized financial liabilities	(280)	—	(79)	
Financial instruments which qualify for set-off in the statement of financial position	3	—	1	—
Net amounts of financial liabilities presented in the statement of financial position	**(277)**	**—**	**(78)**	**—**
Set-off possible due to master agreements	114	—	75	—
Total net amount of financial liabilities	**(163)**	**—**	**(4)**	**—**

Interest rate risks

Changes in global market interest rates affect future interest payments for variable-interest liabilities. As adidas does not have material variable-interest liabilities, even a significant increase in interest rates should have only slight adverse effects on the company's profitability, liquidity, and financial position.

To reduce interest rate risks and maintain financial flexibility, a core tenet of the company's financial strategy is to continue to use surplus cash flow from operations to reduce short-term gross borrowings. Beyond that, adidas may consider adequate hedging strategies through interest rate derivatives in order to mitigate interest rate risks.

Share price risks

Share price risks arise due to the Long-Term Incentive Plan (LTIP), which is a share-based remuneration scheme with cash settlement. In order to mitigate share price risks, it is company strategy to hedge against share price fluctuations. Swaps are used to hedge the Long-Term Incentive Plan and are classified as cash flow hedges.

In line with IFRS 7 requirements, adidas has calculated the impact on net income based on changes in the company's share price. A 10% increase in the adidas AG share price versus the closing share price at December 31, 2025, would have led to an € 8 million increase in net income and a € 12 million increase in shareholders' equity, whereas a 10% decrease in the adidas AG share price versus closing share price at December 31, 2025, would have led to an € 8 million decrease in net income and would have decreased shareholders' equity by € 12 million.

Financing and liquidity risks

Liquidity risks arise from not having the necessary resources available to meet maturing liabilities with regard to timing, volume, and currency structure. In addition, the company faces the risk of having to accept unfavorable financing terms due to liquidity restraints. The Treasury department uses an efficient cash management system in order to make best use of the operating cash flow. A twelve-month rolling cash flow forecast on a monthly basis is established to manage liquidity risk. In line with the Financial Policy, adidas aims to maintain a target leverage ratio and a target twelve months liquidity coverage. Committed and uncommitted credit lines ensure further financial flexibility. Overall, adidas' investment grade credit ratings ensure an efficient access to capital markets.

At December 31, 2025, cash and cash equivalents together with marketable securities amounted to € 1.617 billion (2024: € 2.455 billion). Moreover, the company maintains € 3.599 billion (2024: € 3.656 billion) in bilateral credit lines, which are designed to ensure sufficient liquidity at all times. Thereof, € 1.864 billion has been firmly committed since December 2023 as part of a syndicated credit facility with our core banks.

Future cash outflows arising from financial liabilities that are recognized in the consolidated statement of financial position are presented in the table.

This includes payments to settle obligations from borrowings as well as cash outflows from cash-settled derivatives with negative market values. Financial liabilities that may be settled in advance without penalty are included on the basis of the earliest date of potential repayment. Cash flows for variable-interest liabilities are determined with reference to the conditions at the balance sheet date.

Future cash outflows € in millions

	Up to 1 year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	More than 5 years	Total
As at December 31, 2025							
Bank borrowings	245	7	—	—	—	—	252
Eurobond[1]	442	33	533	533	517	515	2,573
Accounts payable	2,910	—	—	—	—	—	2,910
Other financial liabilities	63	—	—	—	—	—	63
Accrued liabilities[2]	825	—	—	—	—	—	825
Derivative financial liabilities	7,112	643	—	—	—	—	7,755
Total	**11,597**	**683**	**533**	**533**	**517**	**515**	**14,378**
As at December 31, 2024							
Bank borrowings	70	19	7	—	—	—	96
Eurobond[1]	543	428	19	519	519	518	2,546
Accounts payable	3,096	—	—	—	—	—	3,096
Other financial liabilities	114	—	—	—	—	—	114
Accrued liabilities[2]	1,019	—	—	—	—	—	1,019
Derivative financial liabilities	2,711	163	—	—	—	—	2,874
Total	**7,553**	**610**	**26**	**519**	**519**	**518**	**9,745**

1 Including interest payments.
2 Accrued interest excluded.

adidas ended the year 2025 with an adjusted net borrowings of € 4,331 million (2024: € 3,622 million). Further information in the methodology for calculating adjusted net borrowings is provided in these Notes.
▶ SEE NOTE 25

Financial instruments for the hedging of foreign exchange and share price risk

As at December 31, 2025, adidas held the following instruments to hedge exposure to changes in foreign currency and share price:

Average hedge rates

	Maturity	
As at December 31, 2025	**short-term**	**long-term**
Foreign currency risk		
Net exposure (€ in millions)	**2,807**	**842**
Forward exchange contracts		
Average EUR/USD forward rate	1.133	1.192
Average EUR/GBP forward rate	0.868	0.893
Average EUR/JPY forward rate	156.837	179.116
Average EUR/KRW forward rate	1,566.388	1,720.973
Option exchange contracts		
Average EUR/USD forward rate	1.106	1.172
Average EUR/GBP forward rate	—	—
Average EUR/JPY forward rate	181.704	—
Average EUR/KRW forward rate	—	—
Equity risk		
Net exposure (€ in millions)	**19**	**211**
Total return swap		
Average hedge rate	143.665	194.757

Average hedge rates

	Maturity	
As at December 31, 2024	**short-term**	**long-term**
Foreign currency risk		
Net exposure (€ in millions)	**1,547**	**321**
Forward exchange contracts		
Average EUR/USD forward rate	1.104	1.113
Average EUR/GBP forward rate	0.863	0.850
Average EUR/JPY forward rate	156.492	154.522
Average EUR/KRW forward rate	1,459.582	—
Option exchange contracts		
Average EUR/USD forward rate	1.081	1.050
Average EUR/GBP forward rate	—	—
Average EUR/JPY forward rate	165.994	—
Average EUR/KRW forward rate	—	—
Equity risk		
Net exposure (€ in millions)	**70**	**79**
Total return swap		
Average hedge rate	222.475	165.225

The amounts at the reporting date relating to items designated as hedged items were as follows:

Designated hedged items as at December 31, 2025 € in millions

	Change in value used for calculating hedge ineffectiveness	Hedging reserve	Cost of hedging reserve	Balances remaining in the cash flow hedging reserve from hedge relationships for which hedge accounting is no longer applied
Foreign currency risk				
Sales	(65)	65	(18)	—
Inventory purchases	244	(243)	40	—
Net foreign investment risk	—	(265)	—	—
Equity risk				
Long-Term Incentive Plans	19	(19)	—	—

Designated hedged items as at December 31, 2024 € in millions

	Change in value used for calculating hedge ineffectiveness	Hedging reserve	Cost of hedging reserve	Balances remaining in the cash flow hedging reserve from hedge relationships for which hedge accounting is no longer applied
Foreign currency risk				
Sales	31	(31)	(3)	—
Inventory purchases	(180)	180	9	—
Net foreign investment risk	—	(265)	—	—
Equity risk				
Long-Term Incentive Plans	(19)	19	—	—

The majority of the hedging reserves of € 265 million for net foreign investment risk contains hedges of € 181 million related to the Chinese renminbi and € 76 million to the Russian ruble, for which, by the end of 2025, no outstanding hedging instruments were in place anymore.

The amounts relating to items designated as hedging instruments and hedged ineffectiveness were as follows:

Designated hedge instruments € in millions

	2025							During the period 2025				
	Nominal amount	Change in value used for calculating hedge ineffectiveness	Line item in statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognized in hedging reserve	Changes in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Line item in income statement which includes hedge ineffectiveness	Amount from hedging reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from hedging reserve to profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in income statement affected by the reclassification
Foreign exchange contracts – sales	3,071	65	Other financial assets/ liabilities	56	(42)	—	Cost of sales	—	—	28	18	Cost of sales
Foreign exchange contracts – inventory purchases	5,352	(252)	Other financial assets/ liabilities	(25)	(2)	(9)	Cost of sales	(110)	47	4	—	Cost of sales
Foreign exchange contracts – net foreign investments	—	—	Other financial assets/ liabilities	—	—	—	Financial result	—	—	—	—	Financial result
Total return swap – Long-Term Incentive Plans	230	(19)	Other financial assets/long-term financial assets	(36)	—	—	Financial result	—	—	(1)	—	Other operating expenses

Designated hedge instruments € in millions

	2024							During the period 2024				
	Nominal amount	Carrying amount of hedging reserve	Line item in statement of financial position where the hedging instrument is included	Changes in the value of the hedging instrument recognized in hedging reserve	Changes in the value of the hedging instrument recognized in cost of hedging reserve	Hedge ineffectiveness recognized in profit or loss	Line item in income statement which includes hedge ineffectiveness	Amount from hedging reserve transferred to inventory	Amount from cost of hedging reserve transferred to inventory	Amount reclassified from hedging reserve to profit or loss	Amount reclassified from cost of hedging reserve to profit or loss	Line item in income statement affected by the reclassification
Foreign exchange contracts – sales	3,211	(31)	Other financial assets/ liabilities	31	(49)	—	Cost of sales	—	—	(4)	23	Cost of sales
Foreign exchange contracts – inventory purchases	3,883	180	Other financial assets/ liabilities	152	(21)	—	Cost of sales	(36)	65	1	(1)	Cost of sales
Foreign exchange contracts – net foreign investments	—	—	Other financial assets/ liabilities	—	—	—	Financial result	—	—	—	—	Financial result
Total return swap – Long-Term Incentive Plans	149	19	Other financial assets/ liabilities	24	—	—	Financial result	—	—	(5)	—	Other operating expenses

Some of the initial planned exposure for purchases and sales in foreign currencies ceased to exist, which led to certain overhedge positions. In accordance with IFRS 9, hedge accounting was immediately discontinued for hedging instruments that were no longer covered by a purchase or sales transaction, and, at the time the over-hedged status was determined, the fair value was transferred from the hedging reserve to the income statement. In 2025, a gain of € 2 million was reclassified into the cost of sales. Furthermore, the effectiveness calculation carried out as part of hedge accounting for the structured derivatives resulted in an ineffectiveness of € 9 million, which was recognized as an impairment in cost of sales.

In addition, hedging instruments not designated as hedge accounting in accordance with IFRS 9 were canceled to minimize the economic risk.

The following table provides a reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting:

Changes of reserves by risk category € in millions

	Hedging reserve	Cost of hedging reserve
Balance at January 1, 2025	**(94)**	**6**
Cash flow hedges		
Changes in fair value:		
Foreign currency risk – sales	88	6
Foreign currency risk – inventory purchases	(496)	71
Foreign currency risk – net foreign investment	—	—
Amount no longer recognized in OCI:		
Foreign currency risk	137	(61)
Contracts during the year	(56)	(3)
Amount included in the cost of non-financial items:		
Foreign currency risk – inventory purchases	—	—
Tax on movements of reserves during the year	78	—
Equity hedges		
Changes in fair value:	(36)	—
Amount reclassified to profit or loss	(1)	—
Balance at December 31, 2025	**(381)**	**19**

Changes of reserves by risk category € in millions

	Hedging reserve	Cost of hedging reserve
Balance at January 1, 2024	**(287)**	**(7)**
Cash flow hedges		
Changes in fair value:		
Foreign currency risk – sales	(94)	41
Foreign currency risk – inventory purchases	220	38
Foreign currency risk – net foreign investment	—	—
Amount no longer recognized in OCI:		
Foreign currency risk	48	(79)
Contracts during the year	—	13
Amount included in the cost of non-financial items:		
Foreign currency risk – inventory purchases	—	—
Tax on movements on reserves during the year	33	1
Equity hedges		
Changes in fair value:	24	—
Amount reclassified to profit or loss	(5)	—
Balance at December 31, 2024	**(61)**	**7**

In order to determine the fair values of derivatives that are not publicly traded, adidas uses generally accepted quantitative financial models based on market conditions prevailing at the balance sheet date.

Notes to the Consolidated Income Statement

29 Other operating income

Other operating income consists of the following:

Other operating income € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Income from release of accrued liabilities and other provisions	14	124
Gains from disposal of fixed assets	2	30
Sundry income	25	20
Other operating income	**41**	**174**

The decline in income from release of accrued liabilities and other provisions is mainly attributable to the absence of the prior year's release of accruals of around € 100 million following the Yeezy settlement. In 2025, sundry income mainly contains income from insurance reimbursements.

30 Other operating expenses

Expenses are presented by function according to the 'cost of sales method' in the income statement with the exception of impairment losses (net) on accounts receivable and contract assets, which are disclosed in a separate line item as required by IFRS 9 'Financial Instruments.'

Other operating expenses presented by functions include marketing and point-of-sale expenses, distribution and selling expenses, and general and administration expenses, as well as sundry expenses less any income from government grants, if applicable.

Marketing and point-of-sale expenses consist of promotion and communication spending such as promotion contracts, advertising, events, and other communication activities. However, they do not include marketing overhead expenses, which are presented in distribution and selling expenses.

The distribution and selling expenses consist of sales force and sales administration costs, direct and indirect supply chain costs, and marketing overhead expenses, as well as expenses for research and development, which amounted to € 154 million in 2025 (2024: € 170 million).

General and administration expenses include the functions IT, Finance, Legal, Human Resources, and Facilities and Services, as well as General Management.

Sundry expenses consist mainly of costs for one-time effects as well as losses from disposal of fixed assets.

Income from government grants is reported as a deduction from the related expenses and amounted to € 10 million in 2025 (2024: € 4 million).

31 Cost by nature

Supplementary information on the expenses by nature is detailed below.

Cost of materials represents the amount of inventories recognized as an expense during the period.

Depreciation of tangible and right-of-use assets, amortization of intangible assets, and impairment losses and reversals of impairment losses on those assets are primarily included within other operating expenses unless they are directly attributable to the production costs, in which case the expenses are included within the cost of sales.

Personnel expenses are primarily included within other operating expenses unless they are directly attributable to the production costs, in which case the expenses are included within the cost of sales.

Expenses relating to leases of low-value assets exclude short-term leases of low-value assets.

Expenses by nature € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Cost of materials	**11,959**	**11,610**
Depreciation and amortization	**1,121**	**1,170**
Thereof: included within the cost of sales	6	11
Thereof: included within personnel expenses	18	15
Impairment losses	**33**	**38**
Reversals of impairment losses	**(19)**	**(28)**
Wages and salaries	2,785	2,769
Social security contributions	307	307
Pension expenses	134	107
Personnel expenses	**3,226**	**3,184**
Expense relating to short-term leases	**13**	**5**
Expense relating to leases of low-value assets	**1**	**1**
Expense relating to variable lease payments	**154**	**134**

Further information on expenses by function is provided in these Notes.

▶ SEE NOTE 30

32 Financial income/Financial expenses

The financial result consists of the following:

Financial income € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Interest income from financial instruments measured at amortized cost	58	57
Interest income from non-financial assets	—	0
Other	17	44
Financial income	**74**	**101**

Financial expenses € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Interest expense on financial instruments measured at amortized cost	214	196
Thereof: interest expense on lease liabilities	109	99
Interest expense on other provisions and non-financial liabilities	14	25
Net foreign exchange losses	78	93
Other	5	2
Financial expenses	**310**	**317**

Interest income from financial instruments, measured at amortized cost, mainly consists of interest income from bank deposits calculated using the ‘effective interest method.’

Interest expense on financial instruments measured at amortized cost mainly includes interest on lease liabilities as well as interest on borrowings calculated using the ‘effective interest method.’

Interest expense on other provisions, and non-financial liabilities in particular, include effects from the measurement of other provisions at present value and interest on non-financial liabilities such as tax payables.

Interest income/expense from financial instruments at fair value through profit or loss mainly includes interest payments from investment funds as well as net interest payments from interest derivatives that are not part of a hedging relationship. In 2025, as well as in the previous year, there was no interest income/expenses from financial instruments at fair value through profit or loss. Unrealized gains/losses from fair value measurement of such financial assets are shown in other financial income or expenses.

Information regarding investments, borrowings, and financial instruments is also included in these Notes.

▶ SEE NOTE 13 ▶ SEE NOTE 16 ▶ SEE NOTE 28

33 Hyperinflation

Due to the rapid devaluation of the Argentinian peso and the Turkish lira, Argentina and Turkey are considered to be hyperinflationary and as a result, the application of IAS 29 was adopted for the first time in the third quarter of 2018 (Argentina) and the second quarter of 2022 (Turkey). The financial statements of those subsidiaries that have the Argentinian peso or Turkish lira as a functional currency have been restated for the change in the general purchasing power retrospectively since January 1, 2018 (Argentina), and January 1, 2022 (Turkey). The financial statements are based on a historical cost approach. The prior-year figures of both the Argentinian peso and the Turkish lira are stated in terms of the measuring unit current at December 31, 2024.

The Argentinian price index (FACPCE) at December 31, 2025, was 133,090.75 (2024: 102,555.86), increasing by 30% (2024: 128%). The price index in Turkey (Turkish Statistical Institute) increased by 31% (2024: 44%) and at December 31, 2025, was 3,513.87 (2024: 2,684.55).

Both for Argentina and for Turkey, for the translation into the presentation currency (euro), all amounts were translated at the closing rate at December 31, 2025. The net assets in the subsidiary's local financial statements were adjusted for changes in the price level.

In 2025, the respective loss on the net monetary position has amounted to € 70 million (2024: € 48 million) and is recognized in the financial expenses.

34 Income taxes

adidas AG and its German subsidiaries are subject to German corporate and trade taxes. For the years ending December 31, 2025 and 2024, the statutory corporate income tax rate of 15% plus a surcharge of 5.5% thereon is applied to earnings. The municipal trade tax is approximately 11.5% of taxable income. For the measurement of deferred taxes, the gradual reduction of the corporate income tax rate to 10%, which will be enacted during the fiscal years 2028 to 2032, is considered.

For non-German subsidiaries, deferred taxes are calculated based on tax rates that have been enacted or substantively enacted by the closing date.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are offset and presented in the consolidated financial position as follows:

Deferred tax assets/liabilities € in millions

	Dec. 31, 2025	Dec. 31, 2024
Deferred tax assets	1,077	1,272
Deferred tax liabilities	(45)	(133)
Deferred tax assets, net	**1,031**	**1,139**

The movement of net deferred taxes is as follows:

Movement of deferred taxes € in millions

	2025	2024
Deferred tax assets, net as at January 1	**1,139**	**1,211**
Deferred tax (expense)/income	(81)	(39)
Change in deferred taxes attributable to remeasurements of defined benefit plans recorded in other comprehensive income[1]	15	3
Change in deferred taxes attributable to the change in the effective portion of the fair value of qualifying hedging instruments recorded in other comprehensive income[2]	(43)	(39)
Currency translation differences	1	3
Deferred tax assets, net as at December 31	**1,031**	**1,139**

▶ 1 SEE NOTE 23
▶ 2 SEE NOTE 28

Gross company deferred tax assets and liabilities before appropriate offsetting are attributable to the items detailed in the table below:

Deferred taxes € in millions

	Dec. 31, 2025	Dec. 31, 2024
Non-current assets	315	441
Current assets	240	334
Liabilities and provisions	959	957
Accumulated tax loss carry-forwards	94	195
Deferred tax assets	**1,608**	**1,927**
Non-current assets	378	392
Current assets	43	126
Liabilities and provisions	156	270
Deferred tax liabilities	**577**	**788**
Deferred tax assets, net	**1,031**	**1,139**

Deferred tax assets are recognized only to the extent that future taxable profits will be available against which the related benefit can be utilized. For the assessment of future taxable profits, in addition to past

performance and the respective prospects for the foreseeable future, appropriate tax structuring measures are also taken into consideration.

Deferred tax assets for which the realization of the related tax benefits is not probable decreased from € 219 million to € 180 million for the year ending December 31, 2025. The majority of this amount relates to capital tax losses in the US, which expire in 2027 and can only be offset against capital income. The remaining unrecognized deferred tax assets relate to subsidiaries operating in markets where the realization of the related tax benefit is not considered probable.

Tax expenses

Tax expenses are split as follows:

Income tax expenses € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Current tax expenses	361	278
Deferred tax expense/(income)	81	19
Income tax expenses	**443**	**297**

The deferred tax expense includes tax expense of € 4 million in total (2024: tax income of € 104 million) related to the origination and reversal of temporary differences.

The company's applicable tax rate is 27.4% (2024: 27.4%), which corresponds to the applicable income tax rate in fiscal year 2025 of adidas AG.

The company's effective tax rate differs from the applicable tax rate of 27.4% as follows:

Tax rate reconciliation

	Year ending Dec. 31, 2025		Year ending Dec. 31, 2024	
	€ in millions	in %	€ in millions	in %
Expected income tax expenses	498	27.4	307	27.4
Tax rate differentials	(129)	(7.1)	(114)	(10.2)
Non-deductible expenses and tax-free income	(16)	(0.9)	23	2.0
Losses for which benefits were not recognizable and changes in write-down of deferred tax assets	(22)	(1.2)	(5)	(0.4)
Changes in tax rates	12	0.7	10	0.8
Other, net	13	0.7	(2)	(0.2)
Withholding tax expenses	86	4.7	78	7.0
Income tax expenses	**443**	**24.3**	**297**	**26.5**

In 2025, the effective tax rate was 24.3%. The effective tax rate in 2024 was 26.5%.

The line item ‘Non-deductible expenses and tax-free income’ includes tax expense/benefits relating to tax-free income, movements in provisions for uncertain tax positions, and tax expense/benefits relating to prior periods. In 2025, the tax income relating to prior periods is € 26 million (2024: tax expense of € 35 million).

For 2025, the line item ‘Losses for which benefits were not recognizable and changes in write-down of deferred tax assets’ relates to reversals of previous write-downs (€ 13 million) mainly for Hong Kong and Brazil. For 2024, this line item mainly related to write-downs in respect of Argentina (€ 8 million) and a reversal of previous write-downs for Hong Kong (€ 8 million) and Russia (€ 6 million).

For 2025, the total tax benefit arising from previously unrecognized tax losses, credits, or temporary differences in prior years that lead to a reduction of current tax expense is € 5 million (2024: € 1 million).

For 2025 the line item ‘Changes in tax rates’ mainly reflects the upcoming tax rate decrease in Germany which is considered in the valuation of deferred taxes. For 2024, the effect was mainly related to Switzerland.

The group is within the scope of the OECD Pillar Two model rules (Global Minimum Tax) and it applies the IAS 12 exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes.

Considering the impact of the Pillar Two legislation, the group recognized a current income tax expense of € 10 million for the year 2025 (2024: € 4 million). This is included in income tax in the statement of profit or loss.

35 Earnings per share

Basic earnings per share are calculated by dividing the net income from continuing operations attributable to shareholders by the weighted average number of shares outstanding during the year, excluding ordinary shares purchased by adidas and held as treasury shares. If negative earnings per share are reported, according to IAS 33.41, no anti-dilutive effect may be taken into account.

Earnings per share

	Continuing operations		Discontinued operations		Total	
	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Net income from continuing operations (€ in millions)	1,377	824	—	—	—	—
Net income attributable to non-controlling interests (€ in millions)	45	68	—	—	—	—
Net income attributable to shareholders (€ in millions)	**1,332**	**756**	**8**	**8**	**1,340**	**764**
Weighted average number of shares	178,559,220	178,549,084	178,559,220	178,549,084	178,559,220	178,549,084
Basic earnings per share (€)	**7.46**	**4.24**	**0.04**	**0.04**	**7.51**	**4.28**
Net income attributable to shareholders (€ in millions)	1,332	756	8	8	1,340	764
Net income used to determine diluted earnings per share (€ in millions)	**1,332**	**756**	**8**	**8**	**1,340**	**764**
Weighted average number of shares	178,559,220	178,549,084	178,559,220	178,549,084	178,559,220	178,549,084
Dilutive effect of share-based payments	6,110	14,301	6,110	14,301	6,110	14,301
Weighted average number of shares for diluted earnings per share	**178,565,330**	**178,563,385**	**178,565,330**	**178,563,385**	**178,565,330**	**178,563,385**
Diluted earnings per share (€)	**7.46**	**4.24**	**0.04**	**0.04**	**7.51**	**4.28**

Additional information

36 Segmental information

adidas operates predominantly in one industry segment – the design, distribution, and marketing of athletic and sports lifestyle products.

As at December 31, 2025, following the company's internal management reporting by markets and in accordance with the definition of IFRS 8 'Operating Segments,' seven operating segments were identified: Europe, Emerging Markets, North America, Greater China, Latin America, Japan, and South Korea. Due to the small size of the two operating segments Japan and South Korea, they are not reportable segments and are therefore reported as 'all other segments' under the designation Japan/South Korea for external segment reporting.

Each market comprises all wholesale, retail, and e-commerce business activities relating to the distribution and sale of products of the adidas brand to retail customers and end consumers.

Other Businesses includes the business activities of the Y-3 label and other subordinated businesses which are not monitored separately by the chief operating decision-maker. Also, certain centralized corporate functions do not meet the definition of IFRS 8 for an operating segment. This includes, in particular, functions such as Global Brands and Global Sales (central brand and distribution management), central treasury, and global sourcing as well as other headquarter functions. Assets, liabilities, income, and expenses relating to these corporate functions are presented in the reconciliations.

The chief operating decision-maker for adidas has been defined as the entire Executive Board of adidas AG.

Net sales represent revenue from contracts with customers. There are no intersegment sales between the reportable segments. Accounting and valuation policies applied for reporting segmental information are the same as those used for adidas.

▶ SEE NOTE 02

The results of the operating segments are defined as gross profit minus other operating expenses plus royalty and commission income and other operating income attributable to the segment or group of segments, but without considering headquarter costs and central expenses for marketing.

Segmental assets include accounts receivable as well as inventories. Only these items are reported to the chief operating decision-maker on a regular basis. Depreciation, amortization, impairment losses (except for goodwill), and reversals of impairment losses as well as capital expenditure for tangible and intangible assets are part of the segmental reporting, even though segmental assets do not contain tangible and intangible assets. Depreciation and amortization as well as impairment losses and reversals of impairment losses not directly attributable to a segment are presented under line items ‘HQ’ and ‘Consolidation’ in the reconciliations.

Segmental liabilities only contain accounts payable from operating activities as there are no other liability items reported regularly to the chief operating decision-maker.

Interest income and interest expenses as well as income taxes are not allocated to the reportable segments and are not reported separately to the chief operating decision-maker.

Segmental information[1] I € in millions

	Net sales (third parties)[2]		Segmental gross profit[2]		Segmental operating profit[2]		Segmental assets[3]	
	2025	2024	2025	2024	2025	2024	2025	2024
Europe	8,136	7,551	4,195	3,795	1,692	1,485	2,611	2,149
North America	5,087	5,128	2,312	2,210	544	480	1,779	1,645
Greater China	3,623	3,459	1,904	1,717	802	714	1,044	899
Emerging Markets	3,510	3,310	1,784	1,698	701	738	1,341	1,272
Latin America	2,926	2,772	1,391	1,329	609	614	1,290	1,029
Reportable segments	**23,282**	**22,219**	**11,586**	**10,749**	**4,348**	**4,031**	**8,066**	**6,994**
Japan/South Korea	1,406	1,339	740	711	305	295	494	414
Other Businesses	72	93	36	46	16	14	32	23
Total	**24,760**	**23,651**	**12,363**	**11,506**	**4,669**	**4,339**	**8,592**	**7,430**

1 Prior year adjusted due to a reclassification to Other Businesses.

2 Year ending December 31.

3 At December 31.

Segmental information[1] II € in millions

	Segmental liabilities[2]		Capital expenditure[3]		Depreciation and amortization[3]		Impairment losses and reversals of impairment losses[3]	
	2025	2024	2025	2024	2025	2024	2025	2024
Europe	212	187	68	84	259	256	(11)	(11)
North America	91	73	70	87	151	172	3	13
Greater China	305	338	55	69	190	201	14	3
Emerging Markets	130	151	61	72	164	160	3	(0)
Latin America	133	112	37	26	67	59	1	(0)
Reportable segments	**870**	**861**	**291**	**339**	**831**	**849**	**10**	**5**
Japan/South Korea	39	38	25	29	79	77	(3)	4
Other Businesses	4	4	1	2	4	5	(0)	(4)
Total	**913**	**902**	**318**	**370**	**914**	**931**	**7**	**5**

1 Prior year adjusted due to a reclassification to Other Businesses.

2 At December 31.

3 Year ending December 31.

The following table shows the net sales (with third parties) broken down by segment and product division.

Net sales (with third parties)[1,2,3] € in millions

	Europe		North America		Greater China		Emerging Markets	
	2025	2024	2025	2024	2025	2024	2025	2024
Footwear	4,675	4,404	2,857	2,938	1,904	1,933	2,159	2,106
Apparel	2,923	2,617	1,581	1,496	1,603	1,421	1,120	1,006
Accessories	538	526	649	694	115	104	231	210
Total	**8,136**	**7,551**	**5,087**	**5,128**	**3,623**	**3,459**	**3,510**	**3,310**

	Latin America		Reportable segments		Japan/South Korea		Other Businesses	
	2025	2024	2025	2024	2025	2024	2025	2024
Footwear	1,837	1,792	13,432	13,174	734	754	21	28
Apparel	889	829	8,117	7,369	604	514	42	53
Accessories	200	151	1,733	1,685	69	71	9	12
Total	**2,926**	**2,772**	**23,282**	**22,219**	**1,406**	**1,339**	**72**	**93**

	Total	
	2025	2024
Footwear	14,232	13,977
Apparel	8,764	7,937
Accessories	1,815	1,779
Total	**24,811**	**23,683**

1 Prior year adjusted due to a reclassification to Other Businesses.
2 Prior year adjusted due to a reclassification within the product divisions.
3 Differences to aggregated net sales may arise due to items which are not directly attributable.

Reconciliations

The following tables include reconciliations of segmental information to the aggregate numbers of the consolidated financial statements, taking into account items which are not directly attributable to a segment.

Net sales (third parties)[1] € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Reportable segments	23,282	22,219
Japan/South Korea	1,406	1,339
Other Businesses	72	93
HQ/Consolidation	51	32
Total net sales	**24,811**	**23,683**

1 Prior year adjusted due to a reclassification to Other Businesses.

Gross profit[1] € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Reportable segments	11,586	10,749
Japan/South Korea	740	711
Other Businesses	36	46
HQ/Consolidation	442	520
Gross profit	**12,804**	**12,026**

1 Prior year adjusted due to a reclassification to Other Businesses.

Operating profit[1] € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Operating profit for reportable segments	4,348	4,031
Operating profit for Japan/South Korea	305	295
Operating profit for Other Businesses	16	14
HQ	(1,512)	(2,180)
Central expenditure for marketing	(1,065)	(906)
Consolidation	(36)	83
Operating profit	**2,056**	**1,337**
Financial income	74	101
Financial expenses	(310)	(317)
Income before taxes	**1,820**	**1,121**

1 Prior year adjusted due to a reclassification to Other Businesses.

Capital expenditure € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Reportable segments	291	339
Japan/South Korea	25	29
Other Businesses	1	2
HQ	159	170
Total	**477**	**540**

Depreciation and amortization € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Reportable segments	831	849
Japan/South Korea	79	77
Other Businesses	4	5
HQ	207	240
Total	**1,121**	**1,170**

Impairment losses and reversals of impairment losses € in millions

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Reportable segments	10	5
Japan/South Korea	(3)	4
Other Businesses	(0)	(4)
HQ	6	4
Total	**14**	**9**

Assets[1] € in millions

	Dec. 31, 2025	Dec. 31, 2024
Accounts receivable and inventories of reportable segments	8,066	6,994
Accounts receivable and inventories of Japan/South Korea	494	414
Accounts receivable and inventories of Other Businesses	32	23
Accounts receivable and inventories of HQ	(126)	(28)
Current financial assets	2,135	3,405
Other current assets	1,375	1,098
Non-current assets	8,285	8,751
Total	**20,262**	**20,655**

1 Prior year adjusted due to a reclassification to Other Businesses.

Liabilities[1] € in millions

	Dec. 31, 2025	Dec. 31, 2024
Accounts payable of reportable segments	870	861
Accounts payable of Japan/South Korea	39	38
Accounts payable of Other Businesses	4	4
Accounts payable of HQ	1,998	2,194
Current financial liabilities	1,583	1,368
Other current liabilities	4,600	5,129
Non-current liabilities	5,043	5,194
Total	**14,137**	**14,788**

1 Prior year adjusted due to a reclassification to Other Businesses.

Geographical information

Net sales (third parties) are shown in the geographic market in which the net sales are realized. Non-current assets are allocated to the geographic market based on the domicile of the respective subsidiary independent of the segmental structure and consist of tangible assets, goodwill, trademarks, other intangible assets, right-of-use assets, and other non-current assets.

Geographical information by market € in millions

	Net sales (third parties)		Non-current assets	
	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Europe	8,175	7,589	3,367	3,181
North America	5,092	5,134	1,098	1,262
Greater China	3,636	3,476	768	929
Emerging Markets	3,510	3,311	781	762
Latin America	2,928	2,765	237	194
Japan/South Korea	1,471	1,408	387	401
Total	**24,811**	**23,683**	**6,638**	**6,728**

Geographical information by country € in millions

	Net sales (third parties)		Non-current assets	
	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024	Dec. 31, 2025	Dec. 31, 2024
Germany	1,553	1,461	1,280	1,471
USA	4,695	4,730	1,008	1,179
China	3,280	3,097	673	898

37 Additional cash flow information

In 2025 the decrease in cash flows from operating activities was driven by a less favorable operating working capital development, which was partly offset by an increase in income before taxes.

Cash flows from investing activities in 2025 mainly related to spending on intangible assets and property, plant, and equipment, which was partly offset by proceeds from sale of a disposal group from prior years.

Cash flows from financing activities in 2025 mainly related to the proceeds from issuance of a new bond, repayment of a bond, repayments of lease liabilities, interests paid, and dividend paid to shareholders of adidas AG.

The effects resulting from the application of IAS 29 ‘Accounting in hyperinflationary countries’ are recorded in the cash flow from operating activities in the line ‘IAS 29 - Hyperinflation effects in operating cash flow.’

In 2025, the following changes in financial liabilities impacted the net cash used in financing activities:

Impact of change in financial liabilities on net cash used in financing activities € in millions

			Non-cash effects					
	Jan. 1, 2025	Net (payments)/ proceeds in the period[1]	IFRS 16 lease obligations	Fair value adjustments	Transfer within financial liabilities	Effect of exchange rates	Other[1]	Dec. 31, 2025
Short-term borrowings	570	(405)	—	—	418	—	63	645
Long-term borrowings	1,915	448	—	—	(418)	—	52	1,996
Lease liabilities	3,102	(752)	609	—	—	(158)	113	2,913
Total	**5,587**	**(709)**	**609**	**—**	**—**	**(158)**	**227**	**5,555**

1 Interest payments and interest expenses are reported separately in the reconciliation of financial liabilities in 'Net payments/proceeds in the period' and 'Other.'

Impact of change in financial liabilities on net cash used in financing activities € in millions

			Non-cash effects					
	Jan. 1, 2024	Net (payments)/ proceeds in the period[1]	IFRS 16 lease obligations	Fair value adjust-ments	Transfer within financial liabilities	Effect of exchange rates	Other[1]	Dec. 31, 2024
Short-term borrowings	549	(561)	—	—	518	—	64	570
Long-term borrowings	2,430	(47)	—	—	(518)	—	50	1,915
Lease liabilities	2,584	(755)	1,143	—	—	29	102	3,102
Total	**5,564**	**(1,364)**	**1,143**	**—**	**—**	**29**	**216**	**5,587**

1 Interest payments and interest expenses are reported separately in the reconciliation of financial liabilities in 'Net payments/proceeds in the period' and 'Other.'

38 Other financial commitments and contingencies

adidas has other financial commitments for promotion and advertising contracts, which mature as follows:

Financial commitments for promotion and advertising € in millions

	Dec. 31, 2025	Dec. 31, 2024
Within 1 year	1,578	1,491
Between 1 and 5 years	4,345	4,485
After 5 years	1,974	2,146
Total	**7,897**	**8,122**

Commitments with respect to promotion and advertising contracts maturing after five years have remaining terms of up to 13 years from December 31, 2025.

The slight decrease compared to the prior year was mainly driven by commitments fulfilled during the year and the expiration of sports marketing contracts.

Service arrangements

adidas has outsourced certain logistics, maintenance, and information technology functions, for which it has entered into long-term contracts. Financial commitments under these contracts mature as follows:

Financial commitments for service arrangements € in millions

	Dec. 31, 2025	Dec. 31, 2024
Within 1 year	308	291
Between 1 and 5 years	417	342
After 5 years	114	36
Total	**839**	**669**

The increase compared to the prior year mainly relates to new IT service agreements entered into during the year, which resulted in higher financial commitments.

Contingent liabilities

As of December 31, 2025, contingent liabilities exist in connection with guarantees from leases in the amount of € 46 million. These mainly relate to the Reebok business and could not be terminated upon its sale.

Litigation and other legal risks

The company is currently engaged in various lawsuits resulting from the ordinary course of business, mainly in connection with commercial and partnership agreements as well as intellectual property rights. The risks triggered by these lawsuits are covered by provisions if and to the extent a reliable estimate of the company's potential liability can be made. In the opinion of Management, the ultimate liabilities resulting from such claims will not materially affect the assets, liabilities, financial position, and profit or loss of the company.

▶ SEE NOTE 18

The company is in dispute with the local revenue authorities in South Africa (SARS) with regard to the customs value of imported products. In June 2018, SARS issued a ruling claiming a customs payment including interest and penalties for the years 2007 to 2013 totaling ZAR 1,871 million (€ 96 million). adidas has applied for a suspension of the payment demand and in 2019 instituted legal action against the decision before the High Court in South Africa. In the event that the court rules in favor of SARS, adidas intends to appeal the decision at the Supreme Court of South Africa. Based on external legal opinions, Management currently believes that it is more likely than not that the claim made by SARS will eventually not result in an outflow of resources. Therefore, a provision was not recognized in the consolidated statement of financial position.

In connection with the financial irregularities of Reebok India Company in 2012, various legal uncertainties were identified. At this stage, the respective ultimate risk cannot be determined conclusively. However, based on opinions obtained from external counsel and internal assessments, Management assumes that the possibility of any cash outflow in settlement is remote. Therefore, no material negative influence on the assets, liabilities, financial position, and profit of the company is expected.

In connection with the termination of the Yeezy partnership, adidas had initiated in 2022 arbitration proceedings against Kanye West and entities controlled by him (Defendants) claiming, among others, damages. In this context, the Defendants filed certain counterclaims against adidas. The dispute was settled by the parties in July 2024; as a result thereof, the parties withdrew their respective claims.

In 2023, the plaintiff Hampton Roads Shipping Association – International Longshoremen's Association Funds, an entity which had purchased adidas American Depository Receipts (ADRs) representing adidas AG shares, initiated a securities class action at the US District Court in Portland (Oregon). The plaintiff alleges that the company 'recklessly or intentionally made false or misleading statements' regarding risks arising from the business partnership with its former partner Kanye West and/or the company's public commitments to diversity and inclusion by allegedly failing to disclose certain statements and other misconduct of Kanye West. With respect to loss causation and damages, the plaintiff points to specific share price drops for adidas ADRs that it connects to adidas' alleged misstatements or omissions. Also, on behalf of other adidas ADR holders, the plaintiff seeks monetary compensation for damages suffered from price drops of adidas ADRs. The company rejects these allegations in full and filed a motion to dismiss in February 2024. In August 2024, the US District Court in Portland (Oregon) granted the motion to dismiss as requested by the company. Upon appeal by the plaintiff, the judgment of the court of first instance from August 2024 was upheld in its entirety by the US Court of Appeals for the 9th Circuit in December 2025. The plaintiff may still file a petition to appeal this ruling with the US Supreme Court. Management believes that the complaint will not have any material influence on the assets, liabilities, financial position, and profit or loss of the company.

The company is currently involved in a dispute with the German customs authorities. The central question is around the correct calculation of customs duties and import VAT for products imported into Germany from outside the European Union. In December 2021, the main customs office in Nuremberg began customs audits for the period starting October 2019; these audits have been suspended since March 2023. The customs authorities have issued tax amendment notices for the period from October 2019 to the end of 2023. The company has met the payment obligation for the resulting additional customs duties in full, but has lodged an appeal against the respective notices. In December 2024, the European Public Prosecutor's Office supported by the German customs authorities carried out a search at selected adidas sites in Germany and Austria in connection with these customs and tax law issues. The European Public Prosecutor's Office is investigating suspected import duty evasion (customs duties and import VAT). The company is cooperating fully with the customs and law enforcement authorities. Based on external expert opinions, among other things, management currently believes that the effects of this dispute will not have any material impact on the assets, liabilities, financial position, and profit or loss of the company.

39 Related party disclosures

According to the definitions of IAS 24 'Related Party Disclosures', the Supervisory Board and the Executive Board of adidas AG have been identified as related parties who receive compensation essentially in connection with their function as key management personnel. These consolidated financial statements contain detailed information about the compensation of the Supervisory Board and the Executive Board of adidas AG.

▶ SEE NOTE 40

In addition, a brand ambassador agreement was in place between adidas and the Supervisory Board member Jackie Joyner-Kersee. For her services under this agreement, Jackie Joyner-Kersee in 2025 received fixed compensation of € 0.2 million (2024: € 0.2 million). As of the reporting date, there were no outstanding balances in this context.

Members of the Executive Board and the Supervisory Board and their close family members are free to buy or sell shares of the Company on the market. The shares held by this group of persons are regularly entitled to dividends, so that the dividend, as resolved by the 2025 Annual General Meeting, was paid out per share held to these persons in 2025. The employee representatives on the Supervisory Board are also entitled to participate in the adidas AG employee stock purchase program. Shares are purchased at a discount of 15% on the same terms as for other employees. Participants who hold their self-acquired shares for at least one year will subsequently receive one share for every six shares held without additional payment, provided they are still adidas employees at that time.

▶ SEE NOTE 26

In addition to their compensation for their Supervisory Board activities, the employee representatives on the Supervisory Board continued to receive salaries under their normal employment contracts. These were not influenced by their Supervisory Board activities.

A schedule of the adidas AG subsidiaries included in the consolidated financial statements is shown in the Shareholdings list attached to the Notes to the consolidated financial statements. Balances and transactions between the company and its subsidiaries that are related parties have been eliminated in consolidation and are not presented in these Notes.

▶ SEE SHAREHOLDINGS

In addition, adidas Pension Trust e.V., a registered association, is regarded as a related party. Based on a Contractual Trust Arrangement, adidas Pension Trust e.V. manages the plan assets in the form of an administrative trust to fund and protect part of the pension obligations of adidas AG. Employees, senior executives, and members of the Executive Board of adidas AG can be members of the registered association. adidas AG has the right to claim a refund of pension payments from adidas Pension Trust e.V. under specific contractually agreed conditions. As of December 31, 2025, adidas Pension Trust e.V. held plan assets of € 408.7 million (2024: € 392.5 million) in trust for adidas AG. In 2025, adidas AG made lease payments of € 7.3 million (2024: € 7.0 million) to adidas Pension Trust e.V. As of December 31, 2025, there were outstanding liabilities to adidas Pension Trust e.V. in the amount of € 0.6 million (2024: € 0.6 million). There were no material outstanding receivables from adidas Pension Trust e.V. as of December 31, 2025 (2024: € 0 million).

▶ SEE NOTE 23

The non-profit foundation adidas Stiftung, Herzogenaurach, established in 2023, together with its subsidiary (collectively ‘the foundation’), is also considered a related party of adidas AG.

In 2023, adidas AG entered into a donation agreement with the foundation and committed to make a donation in a total amount of € 115.3 million over several years to the foundation. During 2024, the total commitment was reduced to € 106.1 million whereas, on basis of separate agreements, adidas made additional commitment to donate the amount of € 106 million.

Furthermore, there was a service agreement for the temporary provision of certain services by adidas AG in 2024, for which remuneration of around € 0.3 million was agreed and adidas AG has waived the receivables from the foundation. No services were rendered in 2025.

In 2025, adidas AG transferred € 16.1 million to the foundation based on the existing donation agreements (2024: € 16.9 million).

As of December 31, 2025, the total discounted amount outstanding to the foundation was € 168.2 million (2024: € 183.2 million). Nominal value: € 179.1 million (2024: € 195.2 million).

40 Other information

Employees

The average numbers of employees are as follows:

Employees

	Year ending Dec. 31, 2025	Year ending Dec. 31, 2024
Own retail	35,467	32,676
Sales	2,811	2,928
Logistics	7,244	7,075
Marketing	4,904	4,810
Administration	5,581	5,279
Production	426	399
Research and development	973	1,047
Information technology	4,546	4,924
Total	**61,952**	**59,137**

Accountant service fees for the auditor of the financial statements

The expenses for the audit fees comprise the expenses of adidas AG, Herzogenaurach. In 2025, the expenses for fees for the auditor PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft amounted to € 4 million (2024: € 5 million) of which € 0 million pertain to the previous year.

Fees € in millions

	2025	2024
Audit services	3	4
Other confirmation services	1	1
Tax consultancy services	—	—
Other services	—	—
Sum	**4**	**5**

Expenses for the audit fees of PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft were mainly related to the audits of both the consolidated financial statements and the financial statements of adidas AG, the review of essential components of the consolidated interim financial statements as of June 30, 2025, and the audit of the financial statements of its subsidiary, adidas CDC Immobilieninvest GmbH.

Other confirmation services relate to confirmation services provided for by law or contract, such as the audit of the non-financial statement and other contractually agreed confirmation services.

Compensation of the Supervisory Board and the Executive Board of adidas AG

Supervisory Board

The total annual compensation to be paid to the Supervisory Board members in accordance with the Articles of Association of adidas AG, including attendance fees, amounted to € 3.0 million in total (2024: € 2.9 million).

The Supervisory Board members did not receive any loans or advance payments in the 2025 financial year.

The consolidated financial statements contain further information on an existing brand ambassador agreement between adidas and the Supervisory Board member Jackie Joyner-Kersee.
▶ SEE NOTE 39

Executive Board

The total compensation (expense-based) of the Executive Board members amounted to € 19.4 million (2024: € 34.5 million) in the 2025 financial year. Short-term benefits amounted to € 14.3 million (2024: € 16.9 million).

The short-term benefits comprise the one-year Performance Bonus, for which the performance criteria are currency-neutral net sales growth, operating profit, and individual performance criteria.

As part of the compensation system applicable from 2024, the Supervisory Board has introduced a revised Long Term Incentive Plan (LTIP) for the long-term performance-related variable compensation. This LTIP consists of annual tranches with a term of four years each. The performance period is three years. The LTIP Bonus granted has to be fully invested into the acquisition of adidas AG shares after deducting applicable taxes and social security contributions. The shares acquired are subject to a one-year lock-up period. The LTIP payout amount is considered earned only after expiry of the lock-up period and only then can the Executive Board members dispose of the shares. The performance criteria determined in the LTIP 2025 comprise operating profit, relative shareholder return compared to the DAX, and two ESG targets. Costs for the LTIP amounted to € 4.1 million (2024: € 5.4 million).

In the 2025 financial year, a total of € 0.5 million was attributable to severance payments, settlement payments, and payments in connection with non-competition prohibitions (2024: € 12.7 million). Costs for payments after the termination of the service contract (past service costs of the pension commitment for Executive Board members) amounted to € 0.5 million in the 2025 financial year (2024: € 0.7 million). As at December 31, 2025, the defined benefit obligations for pension commitments for the Executive Board members in office in the year under review amounted to € 4.2 million (2024: € 5.9 million).

As of December 31, 2025, there are provisions for short-term variable compensation components for members of the Executive Board amounting to € 7.0 million (2024: € 8.9 million).

The current members of the Executive Board were not granted any loans or advance payments in the 2025 financial year.

Total compensation of the members of the Supervisory Board and the Executive Board pursuant to § 314 (1) in conjunction with § 315e German Commercial Code (Handelsgesetzbuch – HGB)

The total compensation of the Executive Board members amounted to € 21.0 million in the 2025 financial year (2024: € 24.3 million). The fair value at the time of granting the LTIP 2025 amounts to € 6.7 million, comprising 29,159 shares promised.

Executive Board members who were first appointed after January 1, 2021, are not granted any benefits under the company pension scheme. Instead, they receive a so-called pension allowance in the form of an adequate flat, earmarked amount, which is directly paid out to the Executive Board members annually. In this regard, Bjørn Gulden received € 1.1 million, Michelle Robertson € 0.4 million, and Mathieu Sidokpohou € 0.2 million in the 2025 financial year.

The total annual compensation to be paid to the members of the Supervisory Board in accordance with the Articles of Association of adidas AG, including attendance fees, totaled € 3.0 million (2024: € 2.9 million).

In the 2025 financial year, payments to former members of the Executive Board and their surviving dependents totaled € 4.9 million (2024: € 17.3 million).

Provisions for pension entitlements were created for the former members of the Executive Board who resigned on or before December 31, 2005, and their surviving dependents, totaling € 43.7 million (2024: € 46.1 million) as at December 31, 2025, before offsetting with the assets of the 'adidas Pension Trust e.V.' There are pension commitments toward former Executive Board members who resigned after December 31, 2005, which are covered by a pension fund or a pension fund in combination with a reinsured pension trust fund. From this, indirect obligations amounting to € 36.2 million (2024: € 39.1 million) arise for which no provisions were created due to financing through the pension fund and pension trust fund. There are pension commitments amounting to € 3.5 million (2024: € 3.6 million) for two former Executive Board members who resigned on or after December 31, 2019.

Companies opting for exemption under § 264 (3) HGB

The subsidiary adidas CDC Immobilieninvest GmbH, Herzogenaurach, is opting for exemption under § 264 (3) HGB.

41 Information relating to the German corporate governance code

Information pursuant to § 161 German Stock Corporation Act (Aktiengesetz – AktG)

In December 2025, the Executive Board and the Supervisory Board of adidas AG issued an updated Declaration of Compliance in accordance with § 161 AktG and made it permanently available to the shareholders. The full text of the Declaration of Compliance is available on the company's corporate website.

42 Events after the balance sheet date

With the approval of the Supervisory Board, the Executive Board of adidas AG decided on January 29, 2026, to launch a share buyback. As of the finalization of these consolidated statements on February 19, 2026, adidas AG had purchased a total of 1,316,082 shares for a total price of € 201 million.

No further company-specific subsequent events are known that might have a material influence on the assets, liabilities, financial position, and profit or loss of the company.

Date of preparation

The Executive Board of adidas AG prepared and approved the consolidated financial statements for submission to the Supervisory Board on February 19, 2026. It is the Supervisory Board's task to examine the consolidated financial statements and give their approval.

Herzogenaurach, February 19, 2026

The Executive Board of adidas AG



BJØRN GULDEN
CHIEF EXECUTIVE OFFICER



HARM OHLMEYER
CHIEF FINANCIAL OFFICER



MICHELLE ROBERTSON
GLOBAL HUMAN RESOURCES, PEOPLE AND CULTURE



MATHIEU SIDOKPOHOU
CHIEF COMMERCIAL OFFICER

Shareholdings

Shareholdings of adidas AG, Herzogenaurach, as at December 31, 2025

	Company and domicile		Share in capital held by[1]	in %
	Germany			
1	adidas Beteiligungsgesellschaft mbH[2]	Herzogenaurach (Germany)	directly	100
2	adidas CDC Immobilieninvest GmbH	Herzogenaurach (Germany)	11	100
3	adidas Insurance & Risk Consultants GmbH[2]	Herzogenaurach (Germany)	directly	100
	Europe (incl. Middle East and Africa)			
4	adidas International Trading AG	Lucerne (Switzerland)	9	85
			directly	15
5	adidas sport gmbh	Lucerne (Switzerland)	directly	100
6	adidas Austria GmbH	Klagenfurt (Austria)	directly	100
7	runtastic GmbH in Liqu.	Linz (Austria)	9	100
8	adidas France S.a.r.l.	Paris (France)	directly	100
9	adidas International B.V.	Amsterdam (Netherlands)	directly	93.97
			8	6.03
10	adidas International Marketing B.V.	Amsterdam (Netherlands)	9	100
11	adidas International Property Holding B.V.	Amsterdam (Netherlands)	67	100
12	adidas Infrastructure Holding B.V.	Amsterdam (Netherlands)	9	100
13	adidas Benelux B.V.	Amsterdam (Netherlands)	directly	100
14	adidas Ventures B.V.	Amsterdam (Netherlands)	9	100
15	adidas (UK) Limited	Stockport (Great Britain)	9	100
16	Trafford Park DC Limited	Stockport (Great Britain)	12	100
17	adidas (Ireland) Limited	Kildare (Ireland)	9	100
18	adidas International Re DAC	Dublin (Ireland)	9	100
19	adidas España S.A.U.	Zaragoza (Spain)	1	100
20	adidas Italy S.p.A.	Milan (Italy)	9	100
21	adidas Portugal – Artigos de Desporto, S.A.	Lisbon (Portugal)	9	100
22	adidas Business Services, Lda.	Moreira da Maia (Portugal)	9	98
			directly	2
23	adidas Norge AS	Oslo (Norway)	directly	100
24	adidas Sverige Aktiebolag	Solna (Sweden)	directly	100
25	adidas Suomi Oy	Vantaa (Finland)	9	100
26	adidas Danmark A/S	Them (Denmark)	9	100
27	adidas CR s.r.o.	Prague (Czech Republic)	directly	100
28	adidas Budapest Kft.	Budapest (Hungary)	directly	100
29	adidas Bulgaria EAD	Sofia (Bulgaria)	directly	100
30	LLC "adidas, Ltd."	Moscow (Russia)	directly	100
31	adidas Poland Sp. z o.o.	Warsaw (Poland)	directly	100
32	adidas Romania S.R.L.	Bucharest (Romania)	9	100
33	adidas Baltics SIA	Riga (Latvia)	9	100
34	adidas Slovakia s.r.o.	Bratislava (Slovak Republic)	directly	100
35	adidas Trgovina d.o.o.	Ljubljana (Slovenia)	directly	100
36	SC "adidas-Ukraine"	Kiev (Ukraine)	directly	100
37	adidas LLP	Almaty (Republic of Kazakhstan)	directly	100
38	adidas Serbia DOO Beograd	Belgrade (Serbia)	9	100
39	adidas Croatia d.o.o.	Zagreb (Croatia)	9	100
40	adidas Hellas Single Member S.A.	Athens (Greece)	directly	100
41	adidas (Cyprus) Limited	Limassol (Cyprus)	directly	100

Shareholdings of adidas AG, Herzogenaurach, as at December 31, 2025

	Company and domicile		Share in capital held by[1]	in %
42	adidas Spor Malzemeleri Satis ve Pazarlama A.S.	Istanbul (Türkiye)	9	100
43	adidas Emerging Markets L.L.C	Dubai (United Arab Emirates)	9	100
44	adidas Emerging Markets FZE	Dubai (United Arab Emirates)	9	100
45	adidas Levant Limited	Dubai (United Arab Emirates)	44	100
46	adidas Levant Limited – Jordan	Amman (Jordan)	45	100
47	adidas Imports & Exports Ltd.	Cairo (Egypt)	48	99.98
			9	0.02
48	adidas Sporting Goods Ltd.	Cairo (Egypt)	9	99.81
			directly	0.19
49	adidas Israel Ltd.	Holon (Israel)	9	100
50	adidas Morocco LLC	Casablanca (Morocco)	directly	100
51	adidas (South Africa) (Pty) Ltd.	Cape Town (South Africa)	directly	100
52	adidas Arabia Trading	Riyadh (Saudi Arabia)	directly	100
	North America			
53	adidas North America, Inc.	Wilmington, Delaware (USA)	9	100
54	adidas America, Inc.	Portland, Oregon (USA)	53	100
55	adidas International, Inc.	Portland, Oregon (USA)	53	100
56	adidas Team, Inc.	Des Moines, Iowa (USA)	53	100
57	adidas Holdings LLC	Wilmington, Delaware (USA)	53	69
			61	31
58	adidas Indy, LLC	Wilmington, Delaware (USA)	53	100
59	Stone Age Equipment, Inc.	Marina Del Rey, California (USA)	54	100
60	Spartanburg DC, Inc.	North Charleston, South Carolina (USA)	54	100
61	adidas Pluto Corporation	Wilmington, Delaware (USA)	9	100
62	adidas Canada Limited	Woodbridge, Ontario (Canada)	9	100
	Asia-Pacific			
63	adidas Sourcing Limited	Hong Kong (China)	4	100
64	adidas Hong Kong Limited	Hong Kong (China)	1	100
65	adidas Trading (Far East) Limited	Hong Kong (China)	53	100
66	adidas (Suzhou) Co., Ltd.	Suzhou (China)	1	100
67	adidas Sports (China) Co., Ltd.	Shanghai (China)	1	100
68	adidas (China) Ltd.	Shanghai (China)	9	100
69	adidas Sports Goods (Shanghai) Co., Ltd.	Shanghai (China)	68	100
70	adidas Trading (Shanghai) Co., Ltd.	Shanghai (China)	9	100
71	adidas Logistics (Tianjin) Co., Ltd.	Tianjin (China)	12	100
72	adidas Business Services (Dalian) Limited	Dalian (China)	9	100
73	adidas Japan K.K.	Tokyo (Japan)	9	100
74	adidas Technical Services (Cambodia) Co., Ltd.	Phnom Penh (Cambodia)	9	100
75	adidas Korea LLC	Seoul (Korea)	directly	100
76	adidas Korea Technical Services Limited	Busan (Korea)	63	100
77	adidas India Marketing Private Limited	Gurugram (India)	9	89
			directly	11
78	adidas Technical Services Private Limited	Gurugram (India)	63	100
79	Refop India Company	New Delhi (India)	57	99.93
			54	0.07
			78	0
80	PT adidas Indonesia	Jakarta (Indonesia)	9	99.67
			directly	0.33

Shareholdings of adidas AG, Herzogenaurach, as at December 31, 2025

	Company and domicile		Share in capital held by[1]	in %
81	PT adidas Retail Indonesia	Jakarta (Indonesia)	9	99
			directly	1
82	PT adidas Indonesia Technical Solutions	Jakarta (Indonesia)	9	99
			directly	1
83	adidas (Malaysia) Sdn. Bhd.	Petaling Jaya (Malaysia)	directly	60
			9	40
84	ADIDAS PHILIPPINES, INC.	Taguig City (Philippines)	directly	100
85	adidas Singapore Pte Ltd.	Singapore (Singapore)	directly	100
86	adidas Taiwan Limited	Taipei	9	100
87	adidas (Thailand) Co., Ltd.	Bangkok (Thailand)	directly	100
88	adidas Australia Pty Limited	Cremorne (Australia)	9	100
89	adidas New Zealand Limited	Auckland (New Zealand)	directly	100
90	adidas Vietnam Company Limited	Ho Chi Minh City (Vietnam)	9	100
91	adidas Technical Services Vietnam Limited Company	Ho Chi Minh City (Vietnam)	9	100
92	adidas (Mauritius) Limited	Port Louis (Mauritius)	57	100
	Latin America			
93	adidas Argentina S.A.	Buenos Aires (Argentina)	9	76.96
			1	23.04
94	Refop de Argentina S.A.	Buenos Aires (Argentina)	directly	96.25
			9	3.75
95	adidas do Brasil Ltda.	São Paulo (Brazil)	1	100
96	adidas Franchise Brasil Servicos Ltda.	São Paulo (Brazil)	95	99.99
			directly	0.01
97	REFOP Produtos Esportivos Brasil Ltda.	São Paulo (Brazil)	9	100
98	adidas Chile Limitada	Santiago de Chile (Chile)	directly	99
			3	1
99	adidas Colombia Ltda.	Bogotá (Colombia)	directly	100
100	adidas Perú S.A.C.	Lima (Peru)	directly	99.21
			98	0.79
101	adidas de Mexico, S.A. de C.V.	Mexico City (Mexico)	directly	100
102	adidas Industrial, S.A. de C.V.	Mexico City (Mexico)	directly	100
103	Refop de Mexico, S.A. de C.V.	Mexico City (Mexico)	directly	100
104	adidas Latin America, S.A.	Panama City (Panama)	directly	100
105	Concept Sport, S.A.	Panama City (Panama)	9	100
106	3 Stripes S.A.	Montevideo (Uruguay)	directly	100
107	Tafibal S.A.	Montevideo (Uruguay)	directly	100
108	Raelit S.A.	Montevideo (Uruguay)	directly	100
109	adidas Sourcing Honduras, S.A.	San Pedro Sula (Honduras)	53	100
110	adidas Sourcing El Salvador, S.A. de C.V.	Antiguo Cuscatlán (El Salvador)	9	99.95
			directly	0.05

1 The number refers to the number of the company.

2 Profit and loss transfer agreement.

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Group, and the Group Management Report, which has been combined with the Management Report of adidas AG, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group.

Herzogenaurach, February 19, 2026



BJØRN GULDEN
CHIEF EXECUTIVE OFFICER



HARM OHLMEYER
CHIEF FINANCIAL OFFICER



MICHELLE ROBERTSON
GLOBAL HUMAN RESOURCES, PEOPLE AND CULTURE



MATHIEU SIDOKPOHOU
CHIEF COMMERCIAL OFFICER

Copy of the Auditor’s Report

Based on the final results of our audit we issued the following unqualified auditor's report dated February 24, 2026:

"Independent Auditor's report

To adidas AG, Herzogenaurach

Report on the audit of the consolidated financial statements and of the group management report

Audit Opinions

We have audited the consolidated financial statements of adidas AG, Herzogenaurach, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at December 31, 2025, and the consolidated statement of comprehensive income, consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including material accounting policy information. In addition, we have audited the group management report of adidas AG, which is combined with the Company's management report, for the financial year from January 1 to December 31, 2025. In accordance with the German legal requirements, we have not audited the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (the IFRS Accounting Standards) as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and

— the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of those parts of the group management report listed in the "Other Information" section of our auditor's report.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and the EU Audit Regulation (No. 537/2014, referred to subsequently as "EU Audit Regulation") in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) point (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon; we do not provide a separate audit opinion on these matters.

In our view, the matters of most significance in our audit were as follows:

1. Recoverability of inventories

2. Recognition of revenue, taking into account expected returns

Our presentation of these key audit matters has been structured in each case as follows:

1. Matter and issue

2. Audit approach and findings

3. Reference to further information

Hereinafter we present the key audit matters:

1. Recoverability of inventories

1 Inventories amounting to EUR 5,832 million (29% of total assets) are reported in the Company's consolidated statement of financial position.

Inventories are initially recognized at cost, taking into account directly attributable incidental acquisition costs and cost reductions. The carrying amount of recognized inventories must be reduced if the inventories are damaged or (partially) obsolete and the expected net realizable values are less than the costs.

At the reporting date, the costs are compared against the net realizable values, which are determined by deducting the directly attributable selling costs to be incurred prior to sale of the inventories from the sales proceeds expected to be generated.

Net realizable values are calculated based on discretionary planning assumptions as to the sales proceeds realizable in the ordinary course of business less necessary selling costs, which are derived on the basis of historical observable data. Among other things, the age (seasonality) of the inventories and the selected sales channel to be used in future sales are significant. The impairment test resulted in a write-down on inventories as of the reporting date amounting to EUR 143 million in total.

The outcome of this valuation is dependent to a large extent on the estimates made by the executive directors with respect to the inputs for the future net realizable values and other factors having an influence on value, and is therefore subject to considerable uncertainty. Against this background and due to the complex nature of the valuation, this matter was of particular significance in the context of our audit.

2 As part of our audit, we analyzed among other things the impairment testing process and assessed identified controls with respect to implementation, appropriateness and effectiveness. Furthermore, we evaluated the key inputs used to calculate net realizable values based on historical data and our understanding of the business. We verified the accuracy of the calculation logic used in the impairment test.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors in connection with the proper measurement of inventories were sufficiently substantiated and documented.

3 The Company's disclosures relating to the accounting policies applied with respect to the "Inventories" line item are contained in section 2 of the notes to the consolidated financial statements "Summary of significant accounting policies". In addition, the disclosures on "inventories" are contained in section 7, "Inventories" of the notes to the consolidated financial statements.

2. Recognition of revenue, taking into account expected returns

1 Revenue amounting to EUR 24,811 million was recognized in the Company's consolidated financial statements.

Revenue is recognized from the sale of goods in the "Wholesale", "E-commerce" and "Own retail" sales channels if the Company satisfies a performance obligation by transferring a specified asset to a customer. An asset is deemed to have been transferred if the customer obtains control of that asset. Revenue is recognized at a point in time in the amount to which the Company has a claim when the power to control an asset is transferred.

Customers of the Company have the option, subject to certain conditions, of exchanging or returning goods in exchange for a credit. The amounts for expected returns are estimated by the executive directors based on past experience with respect to the historical returns rates and accrued from revenue as a provision for returns.

The asset embodying the right to receive goods returned by the customer is measured at the carrying amount of the respective inventories less settlement costs.

The revenue has a significant influence on the Group's net profit or loss for the year and represents one of the most significant performance indicators for adidas. Due to the large transaction volume with respect to the sale of merchandise in three different sales channels and the potential risk in general of notional

revenue and the uncertainty with regard to estimates of expected returns, in our view the existence and accrual of revenue from the sale of merchandise were of particular importance during our audit.

2 With respect to the audit of the existence and accrual of revenue, we first assessed the structure, establishment and effectiveness of internal controls, including the functioning of IT-based controls with respect to outgoing goods and the acceptance of goods, invoices and the payment settlement. In addition, we reviewed the presentation of revenue recognition in the Group-wide accounting policy to assess whether it complied with IFRS 15.

Furthermore, in the context of substantive audit procedures, we, among other things, obtained evidence (in particular delivery certificates, invoices and receipts of payments) of the existence and accrual of revenue in order to assess whether the recognized and accrued revenue was based on a corresponding shipment or transfer of goods. In addition, we evaluated the mathematical correctness of the executive directors' calculation of expected returns. We compared the expected returns against historical, sales channel-specific returns rates and the returned merchandise recorded in the financial accounting records.

We were able to satisfy ourselves that the estimates and assumptions made by the executive directors in connection with the proper accounting treatment of the revenue were sufficiently substantiated and documented.

3 The Company's disclosures relating to the accounting policies applied with respect to the recognition of revenue from merchandise are contained in section 2 of the notes to the consolidated financial statements "Summary of significant accounting policies".

Other Information

The executive directors are responsible for the other information. The other information comprises the following non-audited parts of the group management report:

— the non-financial statement to comply with Sections 289b to 289e HGB and with Sections 315b to 315c HGB, which is included in the section "Sustainability Statement" of the group management report

— the disclosures marked as unaudited in section "Description of the main features of the internal control and risk management system with respect to the group accounting process pursuant to § 315 Abs. 4 HGB" of the group management report.

— the section "Compliance Management System (adidas Fair Play)" of the group management report

The other information comprises further

— the statement on corporate governance pursuant to § 289f HGB and § 315d HGB

— all remaining parts of the annual report – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

— is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or

— otherwise appears to be materially misstated.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and the EU Audit Regulation and in compliance with German Generally

Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

— Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of the internal control and these arrangements and measures (systems), respectively.

— Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.

— Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.

— Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinions.

— Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.

— Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in

particular, the significant assumptions used by the executive directors as a basis for the prospective information and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats to independence or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB

Assurance Opinion

We have performed assurance work in accordance with § 317 Abs. 3a HGB to obtain reasonable assurance as to whether the rendering of the consolidated financial statements and the group management report (hereinafter the "ESEF documents") contained in the electronic file adidasag-2025-12-31-1-de.xbri and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the group management report into the ESEF format and therefore relates neither to the information contained within these renderings nor to any other information contained in the electronic file identified above.

In our opinion, the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above and prepared for publication purposes complies in all material respects with the requirements of § 328 Abs. 1 HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying group management report for the financial year from January 1 to December 31, 2025 contained in the "Report on the Audit of the Consolidated Financial Statements and of the Group Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the electronic file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the group management report contained in the electronic file identified above in accordance with § 317 Abs. 3a HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and

Management Reports, Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB (IDW AsS 410 (06.2022)) and the International Standard on Assurance Engagements 3000 (Revised). Our responsibility in accordance therewith is further described in the "Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)).

Responsibilities of the Executive Directors and the Supervisory Board for the ESEF Documents

The executive directors of the Company are responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the group management report in accordance with § 328 Abs. 1 Satz 4 Nr. [number] 1 HGB and for the tagging of the consolidated financial statements in accordance with § 328 Abs. 1 Satz 4 Nr. 2 HGB.

In addition, the executive directors of the Company are responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material non-compliance with the requirements of § 328 Abs. 1 HGB for the electronic reporting format, whether due to fraud or error.

The supervisory board is responsible for overseeing the process for preparing the ESEF documents as part of the financial reporting process.

Group Auditor's Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

— Identify and assess the risks of material non-compliance with the requirements of § 328 Abs. 1 HGB, whether due to fraud or error, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.

— Obtain an understanding of internal control relevant to the assurance work on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

— Evaluate the technical validity of the ESEF documents, i.e., whether the electronic file containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815 in the version in force at the date of the consolidated financial statements on the technical specification for this electronic file.

— Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and to the audited group management report.

— Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Delegated Regulation (EU) 2019/815, in the version in force at the date of the consolidated financial statements, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the annual general meeting on May 15, 2025. We were engaged by the supervisory board on December 11, 2025. We have been the group auditor of adidas AG, Herzogenaurach, without interruption since the financial year 2023.

We declare that the audit opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Reference to an other matter – use of the auditor's report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited group management report as well as the assured ESEF documents. The consolidated financial statements and the group management report converted to the ESEF format – including the versions to be filed in the company register – are merely electronic renderings of the audited consolidated financial statements and the audited group management report and do not take their place. In particular, the "Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Group Management Report Prepared for Publication Purposes in Accordance with § 317 Abs. 3a HGB" and our assurance opinion contained therein are to be used solely together with the assured ESEF documents made available in electronic form.

German public auditor responsible for the engagement

The German Public Auditor responsible for the engagement is Christian Landau."

Nuremberg, 24 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Rainer Kroker
Wirtschaftsprüfer
[German public auditor]

sgd. Christian Landau
Wirtschaftsprüfer
[German public auditor]

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in Relation to the Group Sustainability Statement

To adidas AG, Herzogenaurach

Assurance Conclusion

We have conducted a limited assurance engagement on the group sustainability statement of adidas AG, Herzogenaurach, (hereinafter the „Company“) included in section "Sustainability Statement" of the group management report, which is combined with the Company's management report, for the financial year from 1 January to 31 December 2025 (hereinafter the "Group Sustainability Statement"). The Group Sustainability Statement has been prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as §§ [Articles] 289b to 289e HGB [Handelsgesetzbuch: German Commercial Code] and §§ 315b to 315c HGB to prepare a combined non-financial statement.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, § 315c in conjunction with §§ 289c to 289e HGB to prepare a combined non-financial statement as well as with the supplementary criteria presented by the executive directors of the Company. This assurance conclusion includes that no matters have come to our attention that cause us to believe:

— that the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information to be included in the Group Sustainability Statement (hereinafter the “materiality assessment”) is not, in all material respects, in accordance with the description set out in section "IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities" of the Group Sustainability Statement, or

— that the disclosures set out in section "EU Taxonomy" of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the "German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement" section.

We are independent of the Company in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has complied with the quality management system requirements of the IDW Standard on Quality Management: Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) issued by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW). We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibility of the Executive Directors and the Supervisory Board for the Group Sustainability Statement

The executive directors are responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria presented by the executive directors of the Company. They are also responsible for the design, implementation and maintenance of such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these regulations that is free from material misstatement, whether due to fraud (i.e., manipulation of the Group Sustainability Statement) or error.

This responsibility of the executive directors includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The supervisory board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in the Preparation of the Group Sustainability Statement

The CSRD and the relevant German statutory and other European regulations contain wording and terms that are still subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. As such wording and terms may be interpreted differently by regulators or courts, the legal conformity of measurements or evaluations of sustainability matters based on these interpretations is uncertain.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor's Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD and the relevant German legal and other European regulations as well as with the supplementary criteria

presented by the executive directors of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

— obtain an understanding of the process to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the Company to identify the information to be included in the Group Sustainability Statement.

— identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misleading representations, or the override of internal controls. In addition, the risk of not detecting a material misstatement within value chain information from sources not under the control of the company (value chain information) is generally higher than the risk of not detecting a material misstatement of value chain information from sources under the control of the company, as both the executive directors of the Company and we, as assurance practitioners, are ordinarily subject to limitations on direct access to the sources of value chain information.

— consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgement.

In conducting our limited assurance engagement, we have, amongst other things:

— evaluated the suitability of the criteria as a whole presented by the executive directors in the Group Sustainability Statement.

— inquired of the executive directors and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the company to identify the information to be included in the Group Sustainability Statement, and about the internal controls relating to this process.

— evaluated the reporting policies used by the executive directors to prepare the Group Sustainability Statement.

— evaluated the reasonableness of the estimates and the related disclosures provided by the executive directors. If, in accordance with the ESRS, the executive directors estimate the value chain information to be reported for a case in which the executive directors are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the executive directors have undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the executive directors have been unable to obtain.

— performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement.

— considered the presentation of the information in the Group Sustainability Statement.

— considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is solely towards the Company. We do not accept any responsibility, duty of care or liability towards third parties.

Nuremberg, 24 February 2026

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

sgd. Rainer Kroker
Wirtschaftsprüfer
[German public auditor]

sgd. Christian Landau
Wirtschaftsprüfer
[German public auditor]



6

ADDITIONAL INFORMATION

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Ten-year overview

Ten-year overview

	2025	2024	2023	2022	2021	2020	2019	2018[1]	2017[2]	2016
Income Statement Data (€ in millions)										
Net sales[3,4]	24,811	23,683	21,427	22,511	21,234	18,435	23,640	21,915	21,218	18,483
Gross profit[3,4]	12,804	12,026	10,184	10,644	10,765	9,222	12,293	11,363	10,703	9,100
Royalty and commission income[3,4]	81	81	83	112	86	61	154	129	115	105
Other operating income[3,4,5]	41	174	71	173	28	42	56	48	17	119
Other operating expenses[3,4,5]	10,871	10,945	10,070	10,260	8,892	8,580	9,843	9,172	8,766	7,741
EBITDA[3,4]	3,124	2,465	1,358	1,874	3,066	1,967	3,845	2,882	2,511	1,953
Operating profit[3,4]	2,056	1,337	268	669	1,986	746	2,660	2,368	2,070	1,582
Net financial result[3,4]	(236)	(215)	(203)	(281)	(133)	(167)	(102)	10	(47)	(46)
Income before taxes[3,4]	1,820	1,121	65	388	1,852	578	2,558	2,378	2,023	1,536
Income taxes[3,4,6]	443	297	124	134	360	117	640	669	668	454
Net income/(loss) from continuing operations	1,377	824	(58)	254	1,492	461	1,918	1,709	1,354	1,082
Income Statement Ratios										
Gross margin[3,4]	51.6%	50.8%	47.5%	47.3%	50.7%	50.0%	52.0%	51.8%	50.4%	49.2%
Operating margin[3,4]	8.3%	5.6%	1.3%	3.0%	9.4%	4.0%	11.3%	10.8%	9.8%	8.6%
Effective tax rate[3,4,6]	24.3%	26.5%	189.4%	34.5%	19.4%	20.2%	25.0%	28.1%	29.3%	29.6%
Net income/(loss) from continuing operations in % of net sales	5.6%	3.5%	(0.3%)	1.1%	7.0%	2.5%	8.1%	7.8%	6.4%	5.9%
Net Sales by Product Division[7] (€ in millions)										
Footwear[3,4]	14,232	13,977	12,139	12,287	11,336	10,129	13,521	12,783	12,427	10,132
Apparel[3,4]	8,764	7,937	7,806	8,731	8,710	7,315	8,963	8,223	7,747	7,352
Accessories[3,4]	1,815	1,779	1,483	1,493	1,187	991	1,156	910	1,044	999
Balance Sheet Data (€ in millions)										
Total assets	20,262	20,655	18,020	20,296	22,137	21,053	20,680	15,612	14,019	15,176
Inventories	5,832	4,989	4,525	5,973	4,009	4,397	4,085	3,445	3,692	3,763
Receivables and other current assets	4,528	4,460	3,819	4,961	4,072	3,763	4,338	3,734	3,277	3,607
Working capital	5,556	4,306	1,766	2,475	4,978	3,328	2,179	2,979	2,354	2,121
Adjusted (net borrowings)/net cash[8,9]	4,331	3,622	(4,518)	(6,047)	(2,082)	(2,424)	(2,676)	959	484	(103)
Shareholders' equity	5,776	5,476	4,580	4,991	7,519	6,454	6,796	6,377	6,032	6,472
Balance Sheet Ratios										
Adjusted net borrowings/EBITDA[3,4,8,9]	1.4	1.5	3.3	3.2	0.7	1.2	0.7	(0.3)	(0.2)	0.1
Average operating working capital in % of net sales[3,4,9]	23.0%	19.7%	25.7%	24.0%	20.0%	25.3%	18.1%	19.0%	20.4%	21.1%
Financial leverage[8,9,10]	75.0%	66.1%	98.6%	121.2%	27.7%	37.6%	39.4%	(15.0%)	(8.0%)	1.6%
Equity ratio[10]	28.5%	26.5%	25.4%	24.6%	34.0%	30.7%	32.9%	40.8%	43.0%	42.6%
Return on equity[10, 11]	23.2%	14.0%	(1.6%)	12.3%	28.1%	6.7%	29.1%	26.7%	18.2%	15.7%
Return on capital employed[3,4,11]	20.0%	14.8%	2.8%	5.3%	21.2%	8.0%	27.9%	45.1%	41.2%	24.2%
Data per Share										
Share price at year-end (in €)	169.05	236.80	184.16	127.46	253.20	297.90	289.80	182.40	167.15	150.15
Basic earnings (in €)[3,4,6]	7.46	4.24	(0.67)	1.25	7.47	2.31	9.70	8.46	7.05	5.39
Diluted earnings (in €)[3,4,6]	7.46	4.24	(0.67)	1.25	7.47	2.31	9.70	8.45	7.00	5.29
Price/earnings ratio at year-end[3,4,6]	22.7	55.9	n.a.	102.4	33.9	128.9	29.9	21.6	23.7	27.8
Market capitalization at year-end (€ in millions)	30,203	42,280	32,882	22,756	48,512	58,110	56,792	36,329	34,075	30,254

Ten-year overview

	2025	2024	2023	2022	2021	2020	2019	2018[1]	2017[2]	2016
Net cash generated from/(used in) operating activities[3,4,12,13]	4.21	16.30	14.28	(2.15)	14.79	7.00	14.26	13.31	8.14	6.73
Dividend (in €)[14]	2.80	2.00	0.70	0.70	3.30	3.00	0.00	3.35	2.60	2.00
Number of shares outstanding at year-end (in thousands)	178.665	178.549	178.549	178.537	191.595	195.066	195.969	199.171	203.861	201.489
Employees										
Number of employees at year-end[3,4,15]	64,938	62,035	59,030	59,258	61,401	62,285	65,194	57,016	56,888	58,902
Personnel expenses (€ in millions)[3,4]	3,197	3,184	2,964	2,856	2,659	2,325	2,720	2,481	2,549	2,373

1 Application of IFRS 16 as of January 1, 2019. Prior-year figures are not restated.

2 2017 restated according to IAS 8 in the 2018 consolidated financial statements.

3 2019, 2018, 2017, and 2016 figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth, and CCM Hockey businesses.

4 2022, 2021, and 2020 figures reflect continuing operations as a result of the divestiture of the Reebok business.

5 Figures reflect the adjusted consolidated income statement structure introduced in 2018.

6 2017 including negative one-time tax impact of € 76 million.

7 2024 adjusted due to a reclassification within the product divisions.

8 First-time application of adjusted net borrowings as of 2020. Figures since 2019 were restated to reflect methodology revision in 2022.

9 2021 figures reflect the reclassification of the Reebok business to assets or liabilities held for sale.

10 Based on shareholders' equity.

11 Includes continuing and discontinued operations.

12 Since 2018 figures reflect presentation of interest paid within cash flows from financing activities. Prior-year figures are not restated.

13 2023 adjusted due to hyperinflation accounting in 2024.

14 Value for the reporting year subject to Annual General Meeting approval.

15 2019 figure restated due to inclusion of temporary contracts of up to six months (2019 headcounts excluding temporary contracts of up to six months: 59,333). Prior-year figures are not restated.

Glossary

/ A

Accessories

A product category that comprises equipment that is used rather than worn by the consumer, such as bags, balls, sunglasses, or fitness equipment.

adiClub

'adiClub' is a membership program that helps us deepen the relationship with our consumers. Linking all adidas apps, events, communities, and channels into one single profile, the program rewards members with points for interacting with the brand, e.g., when making a purchase or using the 'adidas Running' or 'adidas Training' apps. Depending on the number of points, exclusive benefits are unlocked, including access to hype sneaker and apparel drops or invitations to special events.

Athleisure

The term is composed of the words athletic and leisure. It describes a fashion trend of sportswear no longer being just meant for training but increasingly shaping everyday clothing.

/ C

Cash pools/Cash pooling

A cash management technique for physical concentration of cash. Cash pooling allows adidas to combine credit and debit positions from various accounts and several subsidiaries into one central account. This technique supports our in-house bank concept where advantage is taken of any surplus funds of subsidiaries to cover cash requirements of other subsidiaries, thus reducing external financing needs and optimizing our net interest expenses.

Concession corners

Concession corners are dedicated adidas brand spaces within our customers' stores. They are managed by adidas' own retail team.

Controlled space

Includes own retail business, mono-branded franchise stores, shop-in-shops, joint ventures with retail partners, and co-branded stores. Controlled space offers a high level of brand control and ensures optimal product offering and presentation according to brand requirements.

/ I

Independent manufacturing partners

We outsource almost 100% of production to independent manufacturing partners. They are defined on a supplier group level, which means one independent manufacturing partner might produce in several manufacturing facilities. The majority of our independent manufacturing partners are located in Asia.

/ L

Lifestyle category

Under the ‘Lifestyle’ category, we subsume all footwear and apparel products as well as accessories that are born from sport and worn for style. ‘adidas Originals,’ which is inspired by sport and worn on the street, is at the heart of the ‘Lifestyle’ category.

/ M

Marketing expenditure

Expenditure that relates to point-of-sale and marketing investments. While point-of-sale investments include expenses for advertising and promotion initiatives at the point of sale as well as store fittings and furniture, marketing investments relate to sponsorship contracts with teams and individual athletes as well as to advertising, events, and other communication activities. Marketing overhead expenses are not included in marketing expenditure.

/ N

Net-zero

As per SBTi, net-zero GHG emissions are achieved when human-caused GHG emissions are balanced by removing the same quantity of emissions from the atmosphere over a specified period (‘net-zero’ future). This is necessary at the global level to stabilize temperature increase at 1.5°C. In line with the SBTi criteria, we aim to achieve net-zero by cutting all our possible GHG emissions (by more than 90% against the baseline year 2022) through direct GHG emission reduction actions and neutralizing the residual GHG emissions through permanent carbon removal and storage.

/ O

Operating overhead expenses

Expenses that are not directly attributable to the products or services sold, such as distribution and selling as well as general and administration costs, but not including marketing and point-of-sale expenses.

/ P

Performance category

Under the 'Performance' category, we subsume all footwear and apparel products as well as accessories that are of a more technical nature, built for sport and worn for sport. These are, among others, products from our most important sport categories: Football, Training, Running, and Outdoor.

Per- and polyfluoroalkyl substances (PFAS)

Meanwhile commonly understood as an established term, aligned with the OECD definition, for the multi-thousand substance group formerly communicated as 'PFCs.'

Polybags (LDPE)

A type of product transport packaging made of recycled low-density polyethylene ('LDPE') that offers a more sustainable option to virgin plastic polybags, as they have a lower environmental footprint than conventional bags and most alternatives. Recycled LDPE polybags meet our quality and performance standards to effectively protect our products during shipping and handling, are available globally, and can be recycled via existing waste streams.

Promotion partnerships

Partnerships with events, associations, leagues, clubs, and individual athletes. In exchange for the services of promoting the company's brands, the party is provided with products and/or cash and/or promotional materials.

/ T

Terrace range

Collection of shoes that were initially designed for indoor sports. With their rubber sole, the player had a better grip on smooth surfaces. Since many years, they have been classics of the 'adidas Originals' shoe line, and include the Gazelle, Samba, and Spezial.

/ W

Wet processes

Wet processes are defined as water-intense processes, such as dyeing and finishing of materials.

Declaration of Support

adidas AG declares support, except in the case of political risk, that the companies listed below are able to meet their contractual liabilities. This declaration replaces the declaration dated February 20, 2025, which is no longer valid. The declaration of support automatically ceases from the time that a company is no longer a subsidiary of adidas AG.

adidas (China) Ltd., Shanghai, China

adidas (Cyprus) Limited, Limassol, Cyprus

adidas (Ireland) Limited, Kildare, Ireland

adidas (Malaysia) Sdn. Bhd., Petaling Jaya, Malaysia

adidas (Mauritius) Limited (formerly: Reebok (Mauritius) Company Limited), Port Louis, Mauritius

adidas (South Africa) (Pty) Ltd., Cape Town, South Africa

adidas (Suzhou) Co., Ltd., Suzhou, China

adidas (Thailand) Co., Ltd., Bangkok, Thailand

adidas (UK) Limited, Stockport, Great Britain

adidas America, Inc., Portland, Oregon, USA

adidas Arabia Trading, Riyadh, Saudi Arabia

adidas Argentina S.A., Buenos Aires, Argentina

adidas Australia Pty Limited, Mulgrave, Australia

adidas Austria GmbH, Klagenfurt, Austria

adidas Baltics SIA, Riga, Latvia

adidas Beteiligungsgesellschaft mbH

adidas Benelux B.V., Amsterdam, Netherlands

adidas Budapest Kft., Budapest, Hungary

adidas Bulgaria EAD, Sofia, Bulgaria

adidas Business Services (Dalian) Limited, Dalian, China

adidas Business Services, Lda., Moreira da Maia, Portugal

adidas Canada Limited, Woodbridge, Ontario, Canada

adidas CDC Immobilieninvest GmbH, Herzogenaurach, Germany

adidas Chile Limitada, Santiago de Chile, Chile

adidas Colombia Ltda., Bogotá, Colombia

adidas CR s.r.o., Prague, Czech Republic

adidas Croatia d.o.o., Zagreb, Croatia

adidas Danmark A/S, Them, Denmark

adidas de Mexico, S.A. de C.V., Mexico City, Mexico

adidas do Brasil Ltda., São Paulo, Brazil

adidas Emerging Markets FZE, Dubai, United Arab Emirates

adidas Emerging Markets L.L.C, Dubai, United Arab Emirates

adidas España S.A.U., Zaragoza, Spain

adidas France S.a.r.l., Paris, France

adidas Hellas Single Member S.A., Athens, Greece

adidas Holdings LLC, Wilmington, Delaware, USA

adidas Hong Kong Limited, Hong Kong, China

adidas Imports & Exports Ltd., Cairo, Egypt

adidas India Marketing Private Limited, New Delhi, India

adidas Industrial, S.A. de C.V., Mexico City, Mexico

adidas Indy, LLC, Wilmington, Delaware, USA

adidas Insurance & Risk Consultants Gmbh, Herzogenaurach, Germany

adidas International B.V., Amsterdam, Netherlands

adidas International Marketing B.V., Amsterdam, Netherlands

adidas International Property Holding B.V., Amsterdam, Netherlands

adidas International Re DAC, Dublin, Ireland

adidas International Trading AG, Lucerne, Switzerland

adidas International, Inc., Portland, Oregon, USA

adidas Israel Ltd., Holon, Israel

adidas Italy S.p.A., Monza, Italy

adidas Japan K.K., Tokyo, Japan

adidas Korea LLC., Seoul, Korea

adidas Latin America, S.A., Panama City, Panama

adidas LLP, Almaty, Republic of Kazakhstan

adidas Logistics (Tianjin) Co., Ltd., Tianjin, China

adidas Morocco LLC, Casablanca, Morocco

adidas New Zealand Limited, Auckland, New Zealand

adidas Norge AS, Oslo, Norway

adidas North America, Inc., Wilmington, Delaware, USA

adidas Perú S.A.C., Lima, Peru

adidas Poland Sp. z o.o., Warsaw, Poland

adidas Portugal – Artigos de Desporto, S.A., Lisbon, Portugal

adidas Romania S.R.L., Bucharest, Romania

adidas Serbia DOO Beograd, Belgrade, Serbia

adidas Singapore Pte Ltd, Singapore, Singapore

adidas Slovakia s.r.o., Bratislava, Slovak Republic

adidas Sourcing El Salvador, S.A. de C.V., Antiguo Cuscatlán, El Salvador

adidas Sourcing Limited, Hong Kong, China

adidas Spor Malzemeleri Satis ve Pazarlama A.S., Istanbul, Turkey

adidas Sport Gmbh, Lucerne, Switzerland

adidas Sporting Goods Ltd., Cairo, Egypt

adidas Sports (China) Co., Ltd., Shanghai, China

adidas Sports Goods (Shanghai) Co., Ltd., Shanghai, China

adidas Suomi Oy, Vantaa, Finland

adidas Sverige Aktiebolag, Solna, Sweden

adidas Taiwan Limited, Taipei

adidas Technical Services (Cambodia) Co., Phnom Penh, Cambodia

adidas Technical Services Private Limited, Gurugam, India

adidas Technical Services Vietnam Limited Company, Ho Chi Minh City, Vietnam

adidas Trading (Far East) Limited (formerly: Reebok Trading (Far East) Limited), Hong Kong, China

adidas Trading (Shanghai) Co., Ltd.

adidas Trgovina d.o.o., Ljubljana, Slovenia

adidas Ventures B.V., Amsterdam, Netherlands

adidas Vietnam Company Limited, Ho Chi Minh City, Vietnam

Concept Sport, S.A., Panama City, Panama

PT adidas Indonesia, Jakarta, Indonesia

PT adidas Retail Indonesia, Jakarta, Indonesia

SC 'adidas-Ukraine', Kiev, Ukraine

Spartanburg DC, Inc., North Charleston, South Carolina, USA

Tafibal S.A., Montevideo, Uruguay

Trafford Park DC Limited, Stockport, Great Britain

Financial Calendar 2026

April 29, 2026

First quarter results

May 7, 2026

Annual General Meeting

July 30, 2026

First half results

October 29, 2026

Nine months results

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Concept
nexxar, Vienna

Design and Realization
nexxar, Vienna

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