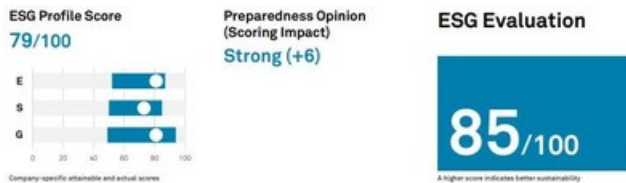


Adidas AG Assigned ESG Evaluation Of 85; Preparedness Strong

LONDON, Nov. 4, 2021 /PRNewswire/ -- S&P Global Ratings said today that it has assigned [Adidas AG](#) an ESG Evaluation of 85. The company's ESG Evaluation is the result of an ESG profile of 79 combined with strong preparedness. Higher numbers indicate stronger sustainability in our evaluations.



[ESG Evaluation: Adidas AG](#)

The ESG Evaluation of 85 reflects our view that Adidas has a strong emphasis on innovation, supply chain management, and customer engagement. This allows the company to deliver a strong ESG performance and set industry standards. It has developed its sustainability strategy earlier than many industry peers. Adidas is committed to reducing and ultimately ending plastic waste, a goal it plans to realize through its innovative solutions and collaborations with industry stakeholders. The company minimizes its high exposure to supply chain risks by strong and long-lasting partnership with its suppliers, compliance with its supply chain code of conduct, regular assessments, and improvement measures in case of noncompliance. We view Adidas' preparedness as strong. The company is well positioned to navigate disruptions and capitalize on opportunities, which its strategic objectives reflect. Its focus on innovation and partnerships supports its long-term sustainability agenda.

Adidas is the first Germany-based company and first one in the apparel sector we have evaluated with the ESG Evaluation.

Adidas is one of the leading sportswear players globally, owning about 2,500 retail stores in 160 countries. The company, with a global workforce of about 62,000, designs, develops, distributes, and markets athletic and sports lifestyle products worldwide under the Adidas brand. It holds a no. 2 global position in the sporting goods market behind Nike. Adidas generated €19.8 billion sales in 2020, a 16% decrease compared with 2019 following widespread store closures due to the COVID-19 pandemic. In 2020, the group generated 56% of its revenue in footwear, 39% in apparel, and 5% in accessories and gear. Geographically, Adidas brand has a well-balanced presence in Europe (27% of net sales in 2020); North America (24%); Asia Pacific (35%); Latin America (6%); and the rest of the world (8%).

What Is An ESG Evaluation?

S&P Global Ratings' ESG evaluation is a cross-sector, relative analysis of an entity's capacity to continue to operate successfully. It is grounded in how ESG factors could affect stakeholders, potentially leading to a material direct or indirect financial impact on the entity.

Our definition of stakeholders for a particular entity goes beyond shareholders to include employees, the local community, government, regulators, customers, lenders, borrowers, policyholders, voters, members, and suppliers. A high ESG evaluation indicates an entity is relatively less prone to experiencing material ESG-related events, and is relatively better positioned to capitalize on ESG-related growth opportunities than entities with lower ESG evaluations.

First, we establish an ESG profile for a given entity, which assesses the exposure of the entity's operations to observable ESG risks and opportunities, and how the entity is mitigating these risks and capitalizing on these opportunities.

Second, we assess the entity's long-term preparedness, namely its capacity to anticipate and adapt to a variety of long-term plausible disruptions.

S&P Global Ratings currently evaluates more than 95 entities across the globe; they have an average score of 67. Since the first ESG evaluation, published in June 2019, we have finalized ESG Evaluations across 22 sectors globally. By region, the highest average score is 73, for companies headquartered in Europe, the Middle East, and Africa.

Visit spglobal.com/ratings for our latest [sustainable finance research](#) and all of our [publicly available ESG Evaluations](#).

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