



December 11, 2018

Settlement of Panarub Dwikarya Benoa ('PDB') dispute – Indonesia

adidas welcomes the settlement reached between SBGTS-GSBI – a union representing 284 former PDB workers - and PT Panarub Industry ('Panarub'), a sister company of PDB, that resolves a long-standing dispute regarding worker terminations following a strike in 2012.

The negotiations and subsequent agreement were facilitated by Indonesia's Ministry of Manpower, acting on the recommendations of the ILO. The agreement, signed by both parties in October 2018, confirmed the termination status and compensation to be paid to the former PDB workers. In addition to the agreed compensation, Panarub also committed to provide financial assistance to the former PDB workers, to settle the workers' outstanding bank loans.

Panarub has confirmed that they have made the required payments to the SBGTS-GSBI, who will reimburse the individual workers, as mandated by the Agreement.

Despite adidas having terminated its business relationship with PDB prior to the strike, we have for the past 6 years engaged with PDB, Panarub, the former PDB union and relevant government authorities regarding the need for a mutually agreeable settlement.

We truly appreciate the efforts of all parties involved that has led to this Agreement, which has been registered with Indonesia's Labour Court as a full and final settlement of this long-standing dispute.