

April 24, 2013

Dear University Partner,

We are pleased to write you to announce that the dispute between adidas and the PT Kizone workers has been resolved to the satisfaction of both parties. This resolution provides relief to workers and their families still impacted from the unethical factory closure and allows us to move forward towards finding long term solutions to illegal factory closures.

Hundreds of displaced PT Kizone workers failed to receive severance payments from the former factory owner, who fled the country in January 2011, causing the factory to close in April 2011. We have been and remain sympathetic to the plight of all former PT Kizone workers. We have been supportive of the factory workers since we first learned of the factory's closure and the workers' hardship. The additional aid comes on top of adidas' earlier contributions in humanitarian aid, job placement services, and advocacy on issues related to workers' rights.

We are now eager to continue productive dialogues that address the complex issues surrounding unethical factory closures that put workers' severance and unemployment entitlements at risk. We encourage you our university partners to engage with the Global Forum for Sustainable Supply Chains, the adidas Group and other industry, labor and workers' rights groups, to pursue sustainable solutions to address issues created by unethical factory closures worldwide.

adidas is a global leader in socially conscious business practices. Today, as we have since 1997, we work to identify root causes of breaches of workers' rights, and to develop effective and sustainable resolutions. The adidas Group will continue its long-standing commitment to take an active role promoting and enforcing workplace standards based on International Labor Organizations' core labor rights conventions, which protect and improve worker experiences worldwide. In 2012, the company held more than 170 training sessions and workshops for suppliers, licensees, workers and adidas Group employees and managed more than 1,560 factory audits around the world, many of which were carried out by external groups including the Fair Labor Association.

We hope this provides clarity on our activities addressing the PT Kizone closure and our efforts to ensure fair labor practices and safe working conditions. We welcome your support in our efforts to develop lasting solutions that protect workers' rights. If you have questions about our programs or actions, please do not hesitate to contact us.

Sincerely,



Gregg Nebel
adidas Group
Head of Social and Environmental Affairs, the Americas



Chris McGuire
adidas America
Director of Sports Marketing