

PEOPLE AND CULTURE

At adidas, we believe that our people are the key to the company's success. Their performance, well-being and knowledge have a significant impact on brand desire, consumer satisfaction and, ultimately, our financial performance. Through the delivery of our People Strategy, we focus our efforts on four fundamentals: the attraction and retention of the right talents, role model leadership, diversity and inclusion, as well as the creation of a unique corporate culture.

PEOPLE STRATEGY ENABLES A CULTURE FOR DELIVERING 'CREATING THE NEW'

As an integral part of our corporate strategy 'Creating the New', the People Strategy is a testament to thinking that our 2020 strategy can only be executed if we speak to our people

on all levels and win both their hearts and minds. The People Strategy consists of four pillars that serve as a basis for creating the culture and environment for our people in order to successfully support Creating the New. [SEE DIAGRAM 25](#) These four pillars also serve as a tool for prioritization, sense-checking and measuring our HR actions and initiatives. The People Strategy is implemented through a portfolio of projects which will directly deliver into each of the four pillars. In 2017, we made good progress by delivering the following initiatives.

Meaningful reasons to join and stay

Kicked off in 2015, our internal career development program Talent Carousel entered its third year, with the first generation graduating in 2017. The program encourages employees from all over the world to apply and become one of 20 finalists to take a cross-functional and international career step by starting a new role in a new location. Candidates remain in the

program for 24 months with the right to return to their home location while being developed with the goal of them assuming Senior Management positions in the future.

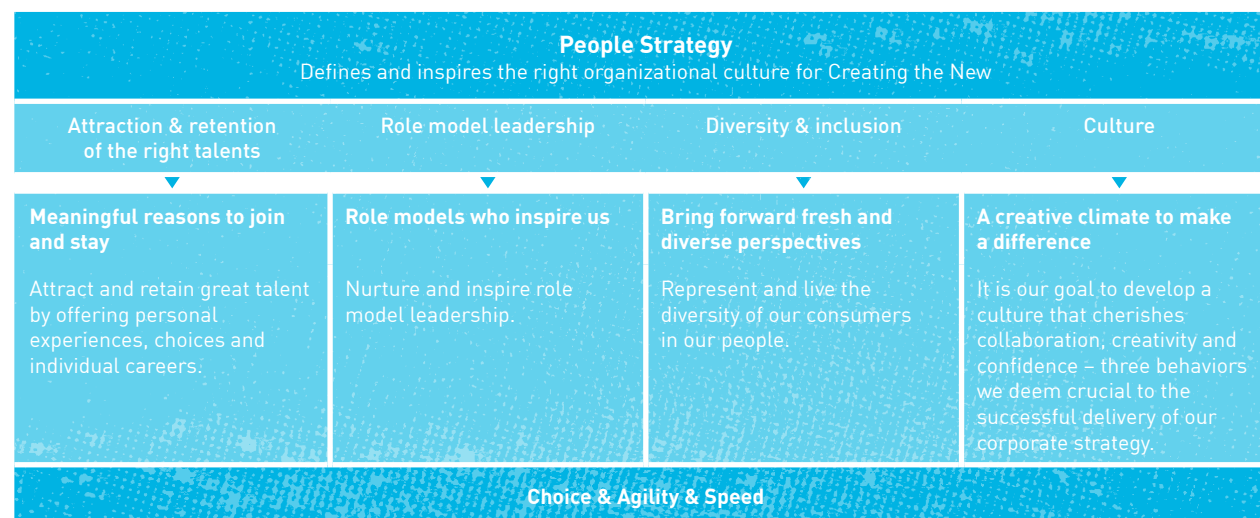
In 2017, we continued our central onboarding process at our headquarters in Herzogenaurach, Germany, which ensures new starters enjoy a high-quality, consistent experience upon joining the company. In addition, we piloted a digital pre-onboarding app available initially to new joiners in our Digital Brand Commerce teams across Herzogenaurach, Portland, Amsterdam and Zaragoza. The app allows us to engage with new hires immediately upon their signing of an employment contract. Through research into other organizations, we learned that connecting with new joiners and providing them with a cultural onboarding before their first day on the job shortens their ramp-up time as it reduces complexity in the initial stages, ensuring they are highly engaged from day one. Both our pre-onboarding platform and in-person experience provide important learnings for a global onboarding initiative which aims at introducing standard onboarding tools in the next two years.

Our Learning Campus provides access to learning opportunities for employees globally. Through this digital platform, our people are able to develop skills to support their current performance and future career development. In 2017, we saw additional functional learning opportunities become accessible under the Learning Campus umbrella.

Introduced in 2016 in Germany, the US, the Netherlands and Hong Kong, our employee Stock Purchase Plan was rolled out to Greater China, Taiwan and the Hong Kong market organization in 2017. By the end of the year, 45% of our total employee population were eligible to take part in the program, and around 3,600 decided to participate. It is planned to extend this program to further countries in the coming years.

The four pillars of our People Strategy

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Our offices in the Netherlands, Spain and China received awards from the Top Employer Institute for their efforts to provide an exceptional work environment for our people. With its certification, the Top Employer Institute recognized adidas' People Strategy, its organization-wide Learning & Development framework which encourages different kinds of learning and its career management model. adidas promotes and encourages employee mobility across the organization and holds line managers accountable for developing the succession pipeline.

In the neighboring forest at our headquarters, we opened the company's first-ever outdoor kindergarten group with 20 children, extending our child-care offer in a unique way. Also, we laid the foundation stone for our second day-care center on campus. It will open in October 2018, providing spots for a total of another 138 children: 75 for kindergarten children, 48 for nursery children, and 15 spots for short-term or emergency day care.

Role models who inspire us

In 2017, we made significant progress with this People Strategy pillar. Two new leadership groups were created, with a third one in the making:

- The Core Leadership Group (CLG) is the most senior group, made up of around 20 members from our Executive Leadership population. Members of this group jointly represent top positions and roles across our company. These functional and geographical experts partner with the Executive Board in teaching and overseeing the cross-functional execution of the Creating the New strategy, accelerating its delivery, as well as mentoring and sponsoring the next generation of leaders. The CLG also serves as the succession pool for the Board.
- The Extended Leadership Group (ELG) currently has around 100 members. This new community of leaders collaborates across functions to lead the implementation

of the strategic initiatives that form the Creating the New portfolio as well as the functional and market project portfolios. They drive continuous improvement across the organization and also mentor and sponsor younger leaders. The ELG serves as a succession pool for the CLG.

- A third group – the Global High Potential Group (GHIPO) – will be formed in the first quarter of 2018. Within this group, which will consist of 50 members, we are striving for a 50:50 gender balance. With the GHIPO group we want to identify and develop high potentials who have the ability to take on more complex, demanding and higher-level responsibilities at a global executive level. The GHIPO program will develop participants' capability against a consistent future Senior Management profile.

In an effort to drive clarity and accountability, the CLG has created the company's first global Leadership Framework. It is based on the three company behaviors creativity, collaboration, confidence (the '3Cs') and articulates the particular behaviors that are expected of leaders at adidas. The framework was developed jointly with employees worldwide who provided feedback on what great leadership within adidas looks like to them. It now provides a global and universal language that is inclusive, reduces the need for local interpretations and outlines concrete behaviors that serve as a measure of leadership effectiveness. It will also be built into the way we hire and promote as well as rate performance. The framework was activated and cascaded to employees globally through the CLG and ELG groups. Employees' awareness of the framework as well as its overall effectiveness are measured via our monthly employee experience survey 'People Pulse'.

We continued to deliver our people manager training 'Fit2Lead' across the US, Asia and EMEA (Europe, Middle East and Africa). This training is specially designed for all first-time people managers who lead up to five people. It provides them

with basic knowledge on how to become a good people manager, manage their business and continue to develop themselves throughout their career. The course can also be booked by managers who would like to refresh their people management skills. Since 2016, this curriculum is complemented by the 'Fit2Lead Experienced Manager' training that is geared towards managers who bring more than five years of management experience and/or lead or influence larger teams.

Bring forward fresh and diverse perspectives

We delivered our 'BIG Deal' gender intelligence training to the Board and their direct reports, covering 387 executives across nearly all our market subsidiaries within the course of a year. 'BIG' stands for Balanced, Inclusive, Gender Intelligent. BIG Deal is a one-day workshop designed to give participants new insights and practical tools that support them in building an inclusive company culture. Participants are challenged to revisit and think critically about some of their key thoughts and beliefs around diversity, stereotyping and gender in the workplace.

Functional and local market teams continued to develop dedicated plans to invest in a stronger female talent pipeline, data analysis on gender balance and action plans to establish a more balanced organization in terms of gender, age and origin.

Our employee resource groups across the organization with an employee base of more than 700 members per group regularly hold awareness events and activations garnering corporate support for topics such as women's, LGBTQ, age and origin as well as giving employees from all walks of life a voice.

A creative climate to make a difference

In a continued effort to provide our employees with the best work environment possible, further construction work has started on our headquarters campus in Herzogenaurach. A

new building called 'Arena' will become the company's new main office in the first half of 2019, offering over 2,000 employees a new home, centralizing most of the employees in Herzogenaurach on the World of Sports campus. 2017 also saw the construction of a third future workplace space, 'Base', following the successes of 'Pitch 1' and 'Pitch 2'. Employees based in these buildings work according to the activity-based working concept. They no longer have assigned desks but can choose from a multitude of different types of rooms and spaces based on the tasks they have on hand. Change management in these new buildings is supported through a dedicated mobile app as well as employee-led feedback groups and regular feedback surveys.

Our 'MakerLabs' at our headquarters in Herzogenaurach and in Portland, USA, serve as dedicated spaces providing tools such as laser cutters and 3D printers and know-how to help employees realize their ideas and create prototypes. The 'MakerLab' idea has its roots in the 'hacker space' concept, where all employees are given free rein to create and bring their ideas to life. ▬

HR FOUNDATIONS FOR OUR PEOPLE STRATEGY

▬ In 2017, the adidas HR function further evolved People OneView – a self-service online portal that allows employees, leaders and HR Partners to both access and manage the most important personal and work data such as salary, career and team information as well as HR applications. By providing direct access to People OneView, users are empowered to manage their most important personal data without having to go via their HR Partner. HR Partners in turn regain valuable time to counsel and support employees. In 2017, two new modules were added to the platform: Dashboarding gives HR Partners and senior leaders access to certain HR-specific metrics and standard reports, Org Viewing provides all employees with full transparency over the organizational structure of the company.

The year was also focused on further stabilizing and enhancing the HR Shared Service Center function for Germany. All employee queries relating to compensation, benefits, time management and HR systems are being centrally channeled and managed through this department. HR Partners are thus enabled to focus fully on supporting line managers and employees on topics such as career counseling, people management and coaching. In the first half of 2018, a new HR Shared Service Center will be going operational in Portland. ▬

MEASURING THE SUCCESS OF OUR HR INITIATIVES

▬ Our HR function measures the success and the effectiveness of the company's efforts with regard to its people initiatives through a set of chosen KPIs. We use two people KPIs: employee experience as an internal measure and employer rankings as an external measure.

Employee engagement

We have set ourselves important goals of becoming the best sports company in the world by becoming a truly consumer-centric organization and putting our people at the heart of everything we do. When it comes to measuring whether we are living up to these ambitions, our consumers and people are the best data sources.

We are convinced that our employees' feedback will play a crucial role in our pursuit of creating a world-class employee experience so we can continue to attract and retain top talent. We can only tell if we are successful by asking our people and hence empower them to share their feedback on a regular basis. In support of this thinking, the adidas Executive Board approved the launch of 'People Pulse' for all office employees with an email account. Kicked off in June 2017, People Pulse is adidas' new approach and system platform for measuring the level of employee satisfaction with the experience adidas provides as an employer.

People Pulse allows for the monthly measurement of employeeNPS (eNPS). ▬ SEE INTERNAL MANAGEMENT SYSTEM, P. 102 The calculation logic of the eNPS score is identical with brand NPS: Based on the main question 'On a scale of 0-10, how likely are you to recommend adidas as a place to work?', the total share of detractors (responses below 7) is deducted from the total share of promoters (responses scoring 9 and 10), producing the eNPS score. This new approach as well as a new focus on collecting open-comment feedback from employees on a regular basis allowed the reduction of the questionnaire to a short pulse check of seven questions maximum, with the eNPS question at the center.

The People Pulse cadence is made up of two components:

- The eNPS question which is asked every month to allow for tracking over time
- A focus topic which changes monthly and is directly derived from the company's strategic agenda as well as the new Leadership Framework and the 3Cs. The cycle repeats itself every six months

2017 marked the creation of the baseline eNPS score which was needed to establish the measurement of KPI improvement over time, as well as to produce internal benchmarks. Research shows that external benchmarks for eNPS are not meaningful to compare the level of positive employee experience between companies as People Pulse is specifically tailored to adidas' needs as well as its Creating the New strategy and People Strategy. A direct like-for-like comparison of the adidas eNPS score to that of other companies is therefore not feasible. In line with the NPS industry standard approach, the focus lies on incremental improvement of the baseline score vs. the score for each pulse. For external benchmarking, we continue to use top employer rankings such as Glassdoor and Universum, where adidas' attractiveness as an employer is compared to that of other companies in similar

and other industries. Tracking of these external rating scores is managed by the HR Talent Acquisition team on a regular basis.

Given the above, targets that were agreed with the Executive Board for the baseline year were mainly qualitative in nature with the exception of the participation rate:

Target	Result 2017
Reporting of People Pulse results	<ul style="list-style-type: none"> – Reports with scores and anonymized comments are provided to the Executive Board as well as leaders on both Board-1 and Board-2 level. – Employees have access to the overall company results via a SharePoint workspace and our global intranet a-LIVE.
Minimum participation rate per month of 50% and accumulated participation rate of 80% at least once every six months	<ul style="list-style-type: none"> – Since its launch in June, monthly participation rates have been increasing, from 45% to around 55% in November and December. – By October, approximately 85% of eligible employees had participated in at least one monthly pulse.
Results recipients to, among others, <ul style="list-style-type: none"> – actively show leadership commitment and ownership by openly discussing People Pulse results – drive action on identified areas of improvement 	<ul style="list-style-type: none"> – Leaders partner with HR and other relevant functions to review, cascade and communicate monthly results. – Discussion with network of 'People Pulse Champions' to share best-practice examples. – One example for successful implementation of feedback is the introduction of new work-life balance measures in Greater China which resulted in significant score improvements.
Expansion of People Pulse to own retail stores and Distribution Centers before the end of 2017	<ul style="list-style-type: none"> – Pilot of People Pulse for ten retail stores in Germany and the Central Distribution Center in Rieste, Germany. – Lessons-learned meetings to define roadmap for 2018 regarding the roll-out to retail stores and Distribution Centers globally.

In addition, we measured the effectiveness of People Pulse as a tool, using the November Pulse to get employees' feedback on People Pulse itself. Positive feedback revolved around the fact that People Pulse gives employees a voice and the chance to contribute and provide feedback quickly and on a regular

basis. An area for improvement is the communication of results and the definition of actions addressing the results. The insights-to-action process will therefore become a focus area for 2018.

Employer rankings

Our 'employer of choice' status continues to garner worldwide recognition and enables us to attract, retain and engage industry-leading talent to sustain the company's success and growth. In 2017, adidas locations around the world leveraged our employer brand attributes for attraction, retention and engagement strategies. This work contributed to several Top Ten rankings worldwide, including the Glassdoor and the Focus Best Employer rankings, as well as the Candidate Experience Award EMEA/APAC (Asia Pacific). This has also helped us to attract some of the industry's top talent. ▀

PERFORMANCE MANAGEMENT

▀ To drive high performance within the company, we use a performance management approach called 'The Score'. It brings target setting and performance appraisal under one common process. Each employee is evaluated at least once a year, optionally twice, and receives performance feedback accordingly. In 2018, The Score will be replaced by '#MyBest' which is a new and holistic performance development approach combining monthly high-quality conversations between the employee and the line manager, regular upward and peer feedback options with quarterly target setting and performance evaluation. In 2017, we focused on training employees on the new approach as well as piloting #MyBest.

Wages and benefits

We are committed to rewarding our employees with compensation and benefit programs that are competitive in the marketplace. Remuneration throughout the company comprises fixed and variable monetary compensation, non-monetary rewards as well as other intangible benefits. The

cornerstone of our rewards program is our Global Salary Management System, which is used as a basis for establishing and evaluating the value of employees' positions and salaries in a market-driven and performance-oriented way. The various variable compensation and benefits components we offer our employees include:

- Bonus program – Short Term Incentive (STI) program
- Profit participation program – 'Champions Bonus' (Germany)
- Long-Term Incentive (LTI) Plan for leaders and Executive Board members
- 401-K Retirement Plan (USA) and adidas Pension Plan (Germany)
- adidas Stock Purchase Plan.

We are continuously improving our remuneration approach and are therefore investing in a number of projects and initiatives to increase significance of our remuneration programs, as well as to ensure we are investing in the right people at the right level. One of the improvements we conducted was the initiation of a new salary adjustment approach. It was applied in Germany and the US in 2017 to minimize salary differences and, more importantly, inequity of employees on the same positions and grades. It is based on a higher level of detail for external market data and addresses internal pay gaps – also helping ensure that we pay equally at the same level for female and male employees.

In addition, we improved transparency and governance for management remuneration. Analytics for our global management population provided higher transparency about actual remuneration as well as internal and external positioning of compensation and benefits packages. The aim was to ensure objective decision making for management remuneration, and to continue standardizing our pay structures. In 2017, we also rolled out a new, global Long Term Incentive Program for Senior Management. This program provides Restricted Stock Units (RSU), linked to our

Earnings per Share (EPS) targets and to our share price performance. It closely links the goals of our Senior Management with those of our shareholders – sustainable success and long-term growth – and fosters company ownership mentality. We will introduce a similar plan for the Executive Board in 2018. [SEE NOTE 27, P. 186](#)

Our subsidiaries also grant a variety of benefits to employees, depending upon locally defined practices and country-specific regulations and norms. [J](#)

DEVELOPMENT AND TRAINING

Talent and succession management

[F](#) The quality of current and future talent and leadership is key to our success. With specifically designed talent management tools, we identify talents at all levels of our company who have the potential to become future leaders or key players within the organization. In order to prepare them for more complex future roles, they participate in targeted development programs and have tailored individual development plans.

Apprenticeships and internships: Our development programs are complemented by apprenticeship and internship programs. The adidas apprenticeship offers young people who want to join our company directly out of school the opportunity to gain business experience in a two- to three-year rotation program. It includes vocational training in retail, shoe technology and IT, as well as integrated study programs in fields such as digital commerce, finance or international business. At the end of 2017, we employed 65 apprentices in Germany (2016: 63) and 37 integrated study program students (2016: 35). Our global internship program offers students three to six months of work experience within adidas. In 2017, we employed 765 interns in Germany (2016: 623).

Trainee program: The Functional Trainee Program (FTP) is an 18-month program providing graduates with an international background and excellent educational credentials the

opportunity to start a functional career within adidas. The program comprises six three-month assignments in various departments. At least one of these assignments takes place abroad. At year-end 2017, we employed 63 participants in our global FTP (2016: 49).

Succession management: Our succession management approach aims to ensure stability and certainty in business continuity. We achieve this through a globally consistent succession plan which covers successors for director-level positions and above. We conduct regular reviews to ensure individual development plans are in place to prepare successors for their potential next steps.

Employee collaboration and learning

We believe that a robust and state-of-the-art internal communication platform is essential for driving employee engagement and fostering learning as well as open collaboration within our organization. We use an enterprise collaboration platform called 'a-LIVE', which encourages employees to share knowledge, collaborate and discuss current topics. In addition, we have established an 'Ask the Management' platform on our intranet, enabling employees to openly address questions to our senior leaders.

Via a-LIVE we also offer all employees access to the Learning Campus, a state-of-the-art learning platform launched in 2014 that provides opportunities for both e-learning and knowledge sharing. Employees are able to access content 24/7 in a virtual environment. Under the Learning Campus brand we also offer in-person learning activities. Through a global implementation of our Learning Management System that continued through 2017, we have increased accessibility of employee training and development activities across the globe with a future goal of the majority of in-person and digital learning activities contributing to an employee's individual People OneView profile.

In 2017, 23,113 employees accessed our Learning Campus digitally, while 4,295 employees participated in in-person learning activities, ranging from two hours to two days in duration. In 2018, adidas core learning programs will be created to support strategic business initiatives, build capabilities connected to our 3Cs and support development of future cross-functional organizational capabilities. Input into the program offer is managed through a business needs assessment supported by our HR organization. [J](#)

WORK-LIFE INTEGRATION

[F](#) We aim to harmonize the commercial interests of the company with the professional, private and family needs of our employees. Our Work-Life Integration initiatives and programs include flexible work time and place, people development and leadership competence related to work-life integration, as well as family-oriented services. In addition to providing flexible working opportunities such as teleworking, sabbaticals and parent/child offices, we have a day-care center at our headquarters in Herzogenaurach, for example. Our office in Panama also offers financial support for day care, and our office in Amsterdam provides a contingent of day-care places.

In order to plan parental leave and re-entry in the best possible way, we have dedicated and tailored programs in place providing employees with advice at an early stage and options for their return to work, also taking into consideration flexible working hours and work locations. In Germany, for instance, we guarantee our employees on parental leave their positions, which are only filled temporarily. In the US, we give parents a special option: In addition to regular parental leave, which allows new parents to stay home for up to ten weeks with 70% of their salary, adidas offers an extra two weeks' paid parental leave for parents. Furthermore, adidas' special parental bonding leave provides parents with the possibility to stay home for up to six months within the first twelve months

after the child's birth or placement. While unpaid, it offers parents the opportunity to stay home longer and take care of their new arrival and new life together.

Starting with our company's headquarters in Germany, we introduced a new off-campus working approach in 2017. Every employee with an adidas AG contract whose working tasks can be carried out independently of campus facilities, campus equipment or personal interaction onsite is eligible to work 20% of their total working time off-campus. This new Works Council agreement is based on our belief that results can be achieved in the same quality and quantity, regardless of people's location. With this regulation we are supporting our people in working more flexibly and choosing the best work environment for the task they have at hand. ▬

DIVERSITY AND INCLUSION

▬ We believe it is crucial for the success of our company to have a very diverse workforce and individuals with different ideas, strengths, interests and cultural backgrounds. We see a great benefit in the diversity of our employees as this helps us to better fulfil the wishes and multi-faceted demands of our consumers around the world. All our employees are appreciated – regardless of gender, nationality, ethnic origin, religion, world view, disability, age, sexual orientation or identity.

At our company's headquarter, we have employees from more than 100 nations. As part of our global diversity approach we proactively pursue a portfolio of internal and external activities as well as memberships:

Internal activities

- ▬ We have regular events highlighting diversity as a key topic, such as our global Diversity Day. We support the 760-member strong global Women's Networking group.

Additionally, we continue our support of the international LGBTQ community, which is also driven by our employees at our major locations. 2017 also saw the creation of a new Experienced Generation network which represents the interests and needs of our more experienced employees.

- ▬ We provide quarterly diversity reports to management to support decision making and target setting, and provide diversity training to our employees and gender intelligence training to our leaders.

External activities and memberships

- ▬ Our active membership in 'Charta der Vielfalt' ('Diversity Charter'), Prout at Work and the Diversity and Inclusion in Asia Network (DIAN) allows us to promote communication and the sharing of best practices and insights.
- ▬ We have been participating in international diversity career fairs and events such as Women in Tech, Opportunities for Women Conference and the British LGBT awards.

- ▬ adidas is listed in the *genderdax* ▬ SEE GLOSSARY and regularly takes part in benchmark studies in order to review our activities in the fields of diversity and inclusion. ▬

MIXED LEADERSHIP TEAMS

▬ At adidas, we believe in mixed leadership teams as a competitive advantage and driver of success. A prerequisite for increasing the number of women at the highest levels of management is the general promotion of women within the company worldwide at all levels of management. We have various initiatives in place, e.g. with members of the Executive Board agreeing to mentor female talents as well as an equal gender split in our GHIPO program to guarantee that our succession pipeline is balanced. In addition, our women's network is also working on mentoring circles to foster the professional development of junior colleagues. Already in 2011, adidas proactively set itself the goal of increasing the number of women in management positions in the coming years. ▬ [ADIDAS-GROUP.COM/S/EMPLOYEES](https://adidas-group.com/s/employees)

Mixed leadership targets

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adidas AG	Target set in 2015 for 2017	Evaluation June 30, 2017	Target set in 2017 for 2019/2022
	Supervisory Board to appoint one woman to the adidas AG Executive Board	Karen Parkin appointed as the first woman to the adidas AG Executive Board in May 2017	Percentage share of women on the Executive Board by 2022: 14.29% (1/7)
	Percentage share of women in management positions (Board-1 level) to be increased from 11% (July 2015) to 18%	Percentage share of women in management positions (Board-1 level): 18%	Percentage share of women in management positions (Board-1 level) to be increased to 24% by 2019
	Percentage share of women in management positions (Board-2 level) to be increased from 26% (July 2015) to 30%	Percentage share of women in management positions (Board-2 level): 29%	Percentage share of women in management positions (Board-2 level) to be increased to 30% by 2019
Global	Target set in March 2011 for 2017	Evaluation 2017	Target set in 2017 for 2020
	Percentage share of women in management positions to be increased from 30% (March 2011) to 32%	Percentage share of women in management positions: 31%	Percentage share of women in management positions to be increased to 32%

Pursuant to the German 'Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector' the Supervisory Board and Executive Board of adidas AG have set specific targets to be achieved by June 30, 2017, and new targets to be achieved by December 31, 2019. [SEE CORPORATE GOVERNANCE REPORT INCLUDING THE DECLARATION ON CORPORATE GOVERNANCE, P. 33](#) [SEE TABLE 26](#)

GLOBAL EMPLOYEE POPULATION

On December 31, 2017, the company had 56,888 employees (thereof 7,581 adidas AG), which represents a decrease of 3% versus 58,902 in the previous year. This is a result of the divestiture of our TaylorMade and CCM Hockey businesses. On a full-time equivalent basis, our company had 48,775 employees (thereof 6,927 adidas AG) on December 31, 2017 (2016: 50,319). [SEE TABLE 27](#)

Personnel expenses increased to € 2.549 billion in 2017 (2016: € 2.373 billion), representing 12% of sales (2016: 13%).

[SEE NOTE 33, P. 201](#) An overview of the development of our employee base in the past ten years can be found in our ten-year overview. [SEE TEN-YEAR OVERVIEW, P. 229](#)

Employee statistics¹

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	2017	2016
Total number of employees ²	56,888	58,902
Total employees		
Male	50%	50%
Female	50%	50%
Management positions		
Male	69%	70%
Female	31%	30%
Average age of employees (in years)	30	30
Average length of service (in years)	4	5

1 At year-end. Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

2 Number of employees on a headcount basis.

Number of employees by function¹

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	Employees ²		Full-time equivalents ³	
	2017	2016	2017	2016
Own retail	32,698	35,109	25,640	27,552
Sales	3,795	4,018	3,680	3,910
Logistics	5,890	5,999	5,617	5,721
Marketing	5,964	5,379	5,742	5,166
Central functions and administration	5,157	5,044	4,835	4,749
Production	1,132	1,164	1,105	1,135
Research & development	1,062	1,021	1,002	955
IT	1,190	1,168	1,154	1,131
Total	56,888	58,902	48,775	50,319

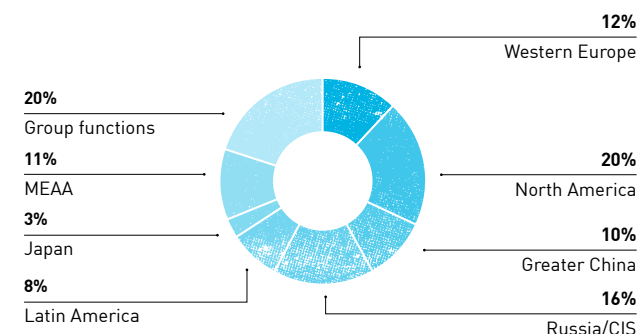
1 At year end. Figures reflect continuing operations as a result of the divestiture of the Rockport, TaylorMade, Adams Golf, Ashworth and CCM Hockey businesses.

2 Number of employees on a headcount basis.

3 Number of employees on a full-time equivalent basis.

Employees by region¹

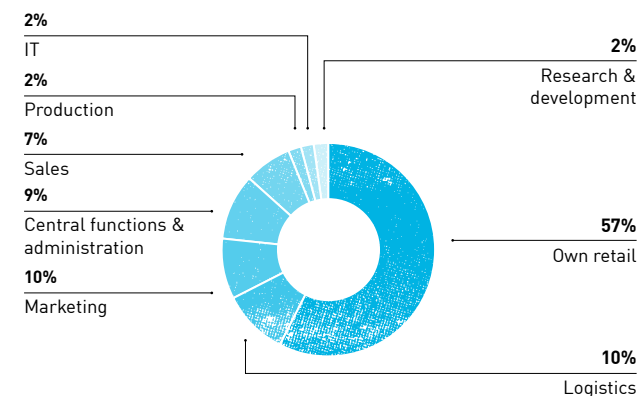
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1 At year-end.

Employees by function¹

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1 At year-end.