



18 June 2018

Arnott's Indonesia statement in response to FPBI claims

Campbell Soup Company has always maintained a commitment to fair and equitable treatment of all its employees worldwide.

PT Arnott's Indonesia has recently reduced its workforce at its Bekasi bakery to ensure the number of employees is appropriate for current production levels. Arnott's has made this decision to ensure it has the right capabilities and skills in place, and remains committed to delivering against its business strategy into the future.

This restructure reflects the competitive business and economic climate in Indonesia. Arnott's market share and production volumes have declined in Indonesia which has resulted in idle labour. This is despite significant and ongoing investment in manufacturing capabilities, technology, our brands and our people. This loss of volume was recently reported in the Campbell Soup Company's Q3 SEC filings.

Workers at the Bekasi site are represented by various unions who are free to enter the site and engage in lawful industrial action. As required by local law, Arnott's Indonesia conducted discussions and negotiations with these unions before implementing the restructure. Throughout this process, Arnott's operated in accordance with local labour laws and a generous compensation package and outplacement support was offered. This package is more favourable than statutory requirements and reflects the Company's appreciation for each employee's contribution and commitment to assisting with their transition from the business.

Of the 320 employees at our Bekasi site who have been impacted by the restructure, only 10 employees or 3 per cent of affected employees are disputing this process. Arnott's Indonesia takes its obligations to its employees seriously and is participating in mediation arranged by the local Department of Labour to seek to resolve the concerns of these 10 employees.

Many of the statements in FPBI letter are not factually correct. Most significantly, Arnott's Indonesia has no plans to recruit new permanent production employees at this time.

Arnott's Indonesia has been operating in Indonesia since 1990 and is committed to continuing its business in Indonesia for the long-term. Arnott's recognises this is a challenging time for our employees, and is grateful for their service and contribution to the business.

Ümit Subasi
President Campbell's International
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