



2 August 2023

(By Email)

Business & Human Rights Resource Centre
London, UK

Attn: BHRRC - Asia Desk

Dear BHRRC,

adidas' response to worker retrenchment at Mactan Apparel Inc, Cebu

Thank you for providing adidas with an opportunity to respond to press reports about worker retrenchment at Mactan Apparel Inc. and their subordinate facilities in Cebu, in the Philippines.

adidas was informed by our supplier partner - Sports City International ('SCI') - that they would consolidate their supply chain in the Philippines and cease operations at their subsidiary factory, Mactan Apparel and its two subordinate printing facilities, in Cebu.

adidas has a set of guidelines on managing redundancies, which we ask our manufacturing partners to follow. We can confirm that SCI has followed our guidance and consulted with employee' representatives and with officials at the Department of Labor and Employment (DOLE) prior to initiating these layoffs.

We can also confirm that Mactan Apparel, and its two subordinate printers, have provided workers with a higher than legally mandated severance, which was promptly paid to the 3,978 affected workers on July 25, 2023.

We continue to engage closely with SCI and the government agencies in Cebu, to understand if there are any additional measures that can be taken to support the impacted workforce.

Sincerely,

A handwritten signature in black ink, appearing to read "William Anderson".

William Anderson
Vice President, Global
Social & Environmental Affairs