



21 May 2020
(By email)

Dear Business & Human Rights Resource Centre

adidas' response to the layoff of Chinese supervisors employed by PouChen Vietnam

Thank you for providing adidas with an opportunity to respond to the recent SCMP news item on the layoff of Chinese supervisors, who had been employed by Pou Chen Vietnam – a footwear manufacturer that makes for adidas and other international brands.

We have asked Pou Chen to explain the reason for these layoffs. They have cited financial pressures triggered by Covid-19 and travel restrictions imposed by the Vietnam government. Due to cross-border restrictions Chinese supervisors were unable to reenter Vietnam for work. Consequently, local Vietnamese employees back-filled these roles.

In the article it is claimed that the compensation offered by Pou Chen was “unfair and below the levels required by labor law in both Vietnam and China.” We have investigated this claim and have looked at the severance packages given to the supervisors, their employment contracts, as well as other related information.

We can find no evidence that compensation payments were below the legal norms and we can confirm that, prior to carrying out these redundancies, Pou Chen had received the necessary approvals from the Vietnamese labor authority.

Sincerely,

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

William Anderson
Vice President, Global
Social & Environmental Affairs