



September 21, 2020

Dear Business & Human Rights Resource Center,

Thank you for providing lululemon with the opportunity to respond to Partido Manggagawa's concerns about the layoff of workers at Sports City International in the Mactan Economic Processing Zone in the Philippines.

The COVID19 global pandemic has disrupted international garment supply chains and we are aware that we will continue to see the impacts on workers for many months to come. Throughout this crisis, lululemon has been committed to being a strong and dependable buying partner to our suppliers, and we are working hard to ensure that our requirements for worker health & safety, as well as responsible purchasing are upheld. See also this [statement on our website](#).

Feeder Apparel, one of the facilities owned by Sports City in the Mactan Economic Processing Zone in Cebu, Philippines has been a production facility for lululemon since 2012. Throughout 2020 and the pandemic, we continued to provide orders to Sports City and Feeder Apparel without any significant reductions.

We work closely with our suppliers, and in this difficult situation, our aim is to ensure that the supplier is adhering to all provisions of our Vendor Code of Ethics, legal requirements of the Department of Labour (DOLE) and the FLA responsible retrenchment guidelines (lululemon joined the FLA in February 2020). Sports City's actions include:

- Inform all workers of Feeder Apparel of the need for the planned retrenchment process in advance, as well as the legal requirements of this process, selection criteria and severance packages available.
- Apply fair selection criteria for retrenchment of workers, based on performance and length of service.
- Ensure all retrenched workers are given the option to 30-day pay, as prescribed by the law.
- Provide full severance & benefits to all retrenched workers as per the law.
- On the day of layoffs, ensure the presence of the Department of Labor (DOLE), in order to oversee the the retrenchment process and be able to respond to any questions by workers.
- On the day of layoffs, provide food assistance to all laid off workers.
- Communicate to workers that priority for re-hiring will be given to retrenched workers, should the economic situation allow for reinstatement.



As a responsible and committed brand, we will continue to be in close contact with the supplier and with the other buyers in the facility to monitor the situation and understand where we can provide further support through this difficult situation.

Sincerely,

Esther Speck

Vice President, Sustainability & Social Impact