

Pivot Cycles' response

13 November 2020

Business & Human Rights Resource Centre invited Pivot Cycles to respond to the following items:

- "Workers at factories for sporting goods companies say management fired them to get rid of union", 31 August 2020, Shadow Proof: <https://shadowproof.com/2020/08/31/sporting-goods-factories-fire-union-workers-covid19/>
- "Myanmar: Union-busting at sporting goods factory (Mizuno, Evil Bikes, Pivot Cycles, CCM Sports)", 18 October 2020, Global May Day: <https://globalmayday.net/2020/10/18/myanmar-union-busting-at-sporting-goods-factory/>
- "Myanmar: Stop union-busting at sporting goods company", October 2020, LabourStart: https://www.labourstartcampaigns.net/show_campaign.cgi?c=4566

Pivot Cycles sent the following response:

"Thank you for giving us an opportunity to respond.

- Pivot Cycles was not a customer of VIP Factory 1 prior to their shut down so truly have no influence on the shutdown of VIP Factory 1. However, I can 100% confirm that this shut down had nothing to do with COVID as Factory 1 was shut down before the world even knew that COVID existed. I was told that they shut down this factory due to a large reduction in demand for the sporting goods made at this factory and their lease was ending. We do not have any knowledge of workers that were transferred or not transferred. VIP is a large company with a large number of employees.
- In factory 2, we were a new customer for 2019 so we spent a lot of time there working closely with the employees and some Pivot employees stayed at the factory housing because the conditions are good and allows us to have a closer relationship with the Myanmar workers. Several of our employees are very close friends with the Myanmar production workers that work directly on our products. Their direct feedback is that there has been no problems from the VIP side. However, due to COVID, our last travels and direct interaction with the factory was at the end of 2019. Actually, this year their has been very low production and delivery due to the COVID situation.
- Factory 2 is a new factory and the general working conditions are excellent. They are on par with working conditions in the USA and modern facilities in other Asian Pacific region developed countries such as Taiwan.
- Our experience with VIP is that they have had excellent employee retention. We have had a stable work team with Pivot during our almost 2 years at VIP Factory 2 Myanmar so we do not have any experience of workers that have been assigned to Pivot projects leaving or being fired.
- In September, Myanmar shut down the country for 4 weeks and did not allow businesses to operate due to an increase in COVID cases. VIP was included in this mandatory shut down. However, they are recognized by the Myanmar government as one of the grade-

A CMP factories, and was able to resume full operation on October 16 (FRI). The message from VIP was that all employees will work under strict working conditions to ensure a safe working environment. Based on this certification and our onsite experience with VIP management, and employees at all levels, VIP is a company that takes worker safety seriously. The owner of VIP is Taiwanese and much of the management at the factory are Taiwanese. As part of their culture, the Taiwanese take health precautions very seriously. They wear masks if they are not feeling well. Also, they would never want to take the risk that sickness would run through their factory. Our experience with VIP in general is that they are a conservative and cautious company. Witnessing firsthand the working conditions at the factory and the high employee retention rate as well as the general happiness of the staff in their working environments is a general indicator of a companies positive policies overall. If any atrocities were committed, we condemn these actions and in no way are defending actions of this manner. However, in 2019 we had Pivot employees working directly in VIP Factory 2 for over 150 days (over 5 months) and have not experienced these issues directly.

- We have asked VIP about this and they have denied these claims. Pivot as a company would never support any actions which violate human rights. That is not who we stand for as an organization. We donate a lot of our time and money to make the world a better place for everyone. We believe our success as a small company is to be able to help employ and provide opportunities to people and a positive work experience. We only partner with companies that have similar views and philosophy's.
- Pivot Cycles is a small company and is one of many smaller customers at VIP. Although we have no evidence that these claims are accurate or truthful, we are a small enough customer that we have little to no influence at VIP. Also, not being a customer at Factory 1, I do not know why we are being included in this list of companies when VIP has much larger customers.
- We hope that your organization will perform further due diligence prior to publishing any article."