



April 13, 2020

RE: Payment of garment workers during the government-mandated closure of Sports City International, Mactan Economic Zone, Philippines

Dear Business & Human Rights Resource Center,

Thank you for providing lululemon with the opportunity to respond to Partido Manggagawa's concerns about payment for workers from the Mactan Economic Zone, amidst the government-mandated quarantine ordered by Cebu Provincial Governor on March 27th, 2020.

The health and wellbeing of the people who make products in our supply chain is of utmost importance to lululemon, and we take seriously our responsibility to be a strong and dependable global buying partner. We are in close contact to all of our suppliers' facilities to understand the situation facing suppliers and workers amidst this global crisis. We follow industry best practice guidance with regards to responsible sourcing practices, and support our suppliers in many ways. This includes, among others, honouring our purchasing agreements, as we continue to pay in full and with agreed upon payment terms for current orders.

Following an executive order by the local government, Sports City International announced the closure of its facilities in the Mactan Economic Zone from March 28 to April 29. A number of support measures have been put in place during this time, such as salary advancement, providing food support, and offering financial loans for employees. The supplier has applied for all workers to receive funds from the governmental financial support programme (CAMP), which provides 5,000php to each worker. A hotline has been implemented to respond to workers' grievances and concerns during the time of closure.

We will continue to closely monitor this situation closely and work with the supplier and other buyers in the facility to understand how further assistance can be provided to workers.

Sincerely,

A handwritten signature in black ink that reads "Esther Speck". The signature is written in a cursive style and is positioned above a thin horizontal pink line.

Esther Speck

Vice President, Sustainable Business and Impact