



April 30, 2020

Esther Speck
Vice-President of Global Sustainability
Lululemon Athletica
sustainablepartner@lululemon.com

Re: Request that Lululemon Athletica Pay Fast Fashion Supply-chain Relief Contribution (SRC)

Dear Esther Speck:

COVID-19 has upended fashion supply chains due to declining consumer demand — and the consequences for fashion manufacturing workers are devastating. For tens of millions of workers in fashion manufacturing worldwide, jobs are at risk or have disappeared altogether. Already, before COVID-19, fashion supply chains left workers vulnerable to economic shocks by failing to distribute billion-dollar profits from brands to the workers who make their products. On average, via suppliers, brands pay fashion manufacturing workers a third of an estimated living wage.

COVID-19 will require fashion manufacturing to rethink the way it operates — and that should begin with rethinking its relationship to its workers. As workers know all too well, the existing fashion system was in crisis before COVID-19. Now is the moment to transform what brands can do for those who make their products.

Global Labor Justice hereby urges Lululemon Athletica to make a one-time brand “Supply-chain Relief Contribution” (SRC) to partially mitigate the harmful impact of COVID-19 on supply chain workers, most of whom are women.

What is a Supply-Chain Relief Contribution and How Does it Reach Workers?

The workers need a Supply-chain Relief Contribution (SRC) because current poverty level wages in the industry do not allow for savings. Most workers are already facing dire circumstances and are relying on charity and other efforts to survive.

We therefore take the position that global brands who benefit most, with minimum risk, from the current global supply chain structure must take direct responsibility in ensuring income relief to provide subsistence to workers and their families.

Global Labor Justice supports the [Asia Floor Wage proposal](#) that Brands undertake this responsibility through a *one-time brand Supply-chain Relief Contribution (SRC)* that would partially mitigate the harmful impact of COVID-19 on supply chain workers, most of whom are women.

As publicly reported in mainstream and industry press, the average garment worker's income loss can be estimated as 60 days of wage loss by the end of June 2020. Brands should therefore make a one-time Supply-chain Relief Contribution (SRC) for each worker in their supplier factories, as a requirement of responsible business practices. Consistent with current available costing data, brands should calculate their Supply-chain Relief Contribution (SRC) as *an additional 2% of the total sourcing by the brand from the preceding 12 months at the respective factory.*

The SRC should be structured as a pass through from the brands to the suppliers, payable directly to the workers. If brands honor this Contribution for their supplier factories, each worker would get a modest but important Contribution to help them mitigate the most extreme effects of the COVID-19 crisis.

The Supply-chain Relief Contribution (SRC) exists in addition to the demand of global labor and human rights organizations, unions, and suppliers that brands honor their contractual obligations and long-term commitments regarding orders to the suppliers. The SRC is a relief contribution and in no way substitutes brands' existing and ongoing supply chain obligations to pay for orders given and produced, not to cancel orders, not to seek discounts in an already under-costed supply chain, and so on. It also does not substitute for obligations to pay severance contributions in cases of downsizing, retrenchment and closure.

Where Do We Go From Here?

The COVID-19 moment amplifies impacts in a supply chain industry built on expansive inequality and inhumane working conditions. Structural changes in this moment must do more than return us to January 2020; now is the time for workers, suppliers, and brands to rebuild the industry in a way that is sustainable for workers and their communities and environment. Through this letter we invite you to join us and as a first commitment, pay the Supply-chain Relief Contribution (SRC), ensuring workers in your supply chain have subsistence wage replacement to provide food, shelter, and healthcare for themselves and their families.

On May 1, 2020, Global Labor Justice is launching *All Eyes on Fast Fashion* to make transparent brands' commitments to supply chain relief contributions and to other critical measures – in order to ensure that supply chains transform to deliver living wages and social protections as part of a new social contract.

We look forward to your response.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jennifer Rosenbaum". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jennifer Rosenbaum, Esq.¹
Director
Global Labor Justice

A handwritten signature in black ink, appearing to read "Anannya Bhattacharjee". The signature is cursive and somewhat stylized.

Anannya Bhattacharjee
International Coordinator
Asia Floor Wage Alliance

¹ Licensed to practice law in Louisiana.