

APPAREL AND ACCESSORIES

Ralph Lauren Corp., hit hard by COVID-19 retail lockdowns, to furlough employees, corporate staff starting April 12

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Brand ambassador David Beckham in Ralph Lauren Purple Label. Image credit: Ralph Lauren Corp.

By LUXURY DAILY NEWS SERVICE

Suffering the consequences of the COVID-19 lockdown measures worldwide, U.S. fashion giant Ralph Lauren Corp. has given warning that starting April 12 it will put the vast majority of its store employees and a portion of its corporate staff on unpaid temporary furlough.

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The employees are being supported with full pay mid-March through April 11 as retail operations are suspended in North America, Europe and parts of the world. The employees will continue to receive company benefits such as healthcare, access to its employee relief fund and government assistance where offered globally.

"Our hope is to bring our employees back to work as soon as it is safe and practical," the company said in a statement.

"We are also working to leverage the talent and experience of our employees by actively reassigning them across other areas of our business, placing them in high-need functions directly involved in managing urgent business needs and continuity as well as our ongoing efforts to manufacture medical supplies, including masks and gowns, for donation."

Rough ride

New York-based Ralph Lauren maintains an upscale line of home products along with its Ralph Lauren Collection and Purple Label lines, in addition to its mass-market apparel and accessories. Its overall style is American Preppy and Western.

The bulk of **Ralph Lauren** sales come through company-owned retail stores and via department stores such as Bloomingdale's, which also furloughed almost all its employees. Ecommerce is growing portion of its business.

Following the decision to furlough its workforce, Ralph Lauren top brass will also take a pay cut following the move to furlough employees.

Founder Ralph Lauren, who continues to hold the executive chairman and chief creative officer posts, will relinquish his entire salary for fiscal year 2021 as well as his full fiscal year 2020 bonus.

One step below him, company president/CEO Patrice Louvet will cut his salary by 50 percent during the crisis.

Every other member of the Ralph Lauren executive and global leadership team a group of 140 business leaders companywide will trim their salaries by 20 percent for the first quarter of fiscal 2021.

Also, the Ralph Lauren board of directors will forego its quarterly cash compensation for the first quarter of fiscal 2021.

Like its peers in the U.S. and overseas, Ralph Lauren has dug deep to contribute toward COVID-19 relief efforts.

The Ralph Lauren Corporate Foundation has set aside \$10 million for emergency relief, with most of those funds meant to help company employees with urgent needs resulting from the coronavirus pandemic.

The foundation, in partnership with the Council of Fashion Designers of America (CFDA), has also earmarked a portion of the relief funds to make and donate 250,000 masks and 25,000 isolation gowns to healthcare workers on the front lines.

Some lights on

Meanwhile, as stores in North America and Europe stay shut, the improving situation in China and South Korea has convinced Ralph Lauren to reopen most shops in those two markets. China's Wuhan city in Hubei province is where the COVID-19 virus originated.

The company has also kept its ecommerce business and fulfillment centers running. The warehouses undergo social distancing on-site, staggered work shifts and break schedules, as well as deep cleanings of the premises.

Supplier payments for finished goods and those already in production will be made.

'Understanding that the scale of the ongoing slowdown of future orders can have a significant impact on our partners' liquidity, we have a vendor payments program in place which enables suppliers to receive payments on a shortened time frame at favorable market rates.," the company said.

"Over the long-term, we are committed to partnering with peers, non-governmental organizations and governments to advocate and generate new sources of support and long-term job security for factory workers, while strengthening the resilience of business in the countries in which we manufacture our products.

"The company believes the additional measures announced are necessary as we navigate an unprecedented and dynamic situation. We remain focused on the need to support our employees and safeguard our business in order to emerge from this crisis in a position of strength."

A nod to traditional spectator style emphasized by graphic contrasts, bold trims, and a touch of classic glamour inspired by courtside styling

Discover the full collection:<https://t.co/t9UuepFFKy#PoloRLStyle> pic.twitter.com/CH2FEFWS6k

Ralph Lauren (@RalphLauren) February 28, 2020