

Survey on fashion brands and retailers' approach to human rights due diligence in Myanmar

Business & Human Rights Resource Centre (BHRRC) is collecting information on fashion brands and retailers' approaches to heightened due diligence in Myanmar as a sourcing country.

This survey provides you with the opportunity to detail your approach to human rights due diligence beyond any responses you have made to BHRRC's Myanmar Allegation [Tracker](#). Your answers will be analysed for our upcoming report on how brands have adapted operational strategies in Myanmar after the military takeover as well as their impacts on garment workers.

Please feel free to provide any supporting information on your practices in any of the questions below (including tick box questions).

The survey will take 15 minutes and will be open for 3 weeks, from the 6th April to the 27th April 2023.

We thank you for your time and cooperation!

Part I: General information

1. Company name: **BESTSELLER**
2. Your name:
3. Your role:
4. Your department: **BESTSELLER Responsible Sourcing**

Part II: Operation history in Myanmar

5. When did your company start sourcing from Myanmar? **2014**
6. Do you still source from Myanmar, as of the 6th April 2023?

Yes

Yes, but we have announced that we plan to stop sourcing from Myanmar

No, we have now left and no longer have any ongoing production in Myanmar

Part III: Heightened human rights due diligence approach in Myanmar

This section will explore your approach and practices to human rights due diligence in the high-risk context of Myanmar.

7. Which of the below mechanisms do you currently utilise in the context of Myanmar?*

	Yes	No	Not sure
Human rights due diligence guideline in conflict-affected contexts like Myanmar	X		
Public disclosure of an up-to-date list of direct and indirect suppliers in Myanmar	X		

	Yes	No	Not sure
Requirement for suppliers' to undertake a human rights self-assessment questionnaire (SAQ)	X		
Supplier code of conduct that includes human rights	X		
Your company has its own field office in Myanmar	X		
Regular field visits/inspection to your suppliers in Myanmar	X		
Requirement that third-party audit to be undertaken across your Myanmar suppliers	X		
Involvement of the Factories and General Labour Laws Inspection Department		X	
Institution of remediation and grievance mechanisms at each supplier site	X		
Training for suppliers on human rights	X		

**Please feel free to add any further comments*

BESTSELLER's Due diligence into possible links with the military

In April 2021 BESTSELLER was accused in Danish media for not having carried out proper due diligence into three business partners' alleged collaboration with companies affiliated with the military. BESTSELLER immediately issued an independent investigation by internationally recognised human rights expertise, which [fully endorsed BESTSELLER's due diligence in the country](#). Find the concluding report [here](#) (EN Language summary on page 120).

Based on the media coverage a Danish citizen forwarded a complaint to The Danish Mediation and Complaints Handling Institution for Responsible Business Conduct (NCP Denmark). Having scrutinized BESTSELLER's documentation of its due diligence in the country (prior to BESTSELLER starting sourcing in 2014 – up until spring 2022), NCP Denmark not only cleared BESTSELLER of the allegations, but in their verdict NCP Denmark provides a 12 pages detailed description of BESTSELLER's routine due diligence as well as the enhanced due diligence carried out by BESTSELLER in the conflict affected country. Since the NCP verdict BESTSELLER's due diligence in the country has been enhanced even further.

[NCP Verdict \(Official DK language version\)](#)

[NCP Verdict \(EN language version and BESTSELLER press release \)](#)

8. How often do you undertake field visits/inspection to your suppliers in Myanmar? Please tick as many as apply.

- Annually
- Regularly (more than once per year)
- In case of reported allegations
- Never

Not sure

Please feel free to provide any further information on how you undertake field visits/inspection to your suppliers in Myanmar:

Since the coup February 1st 2021 BESTSELLER has consolidated its sourcing in Myanmar from 36 active factories prior to the coup to 24 at present. All factories we work with are visited and inspected monthly by our Social & Labour Team. We have a team of 4 local Social & Labour Specialists who continuously monitor and assist the factories we work with, pertaining to human and labour rights, health & safety, and environmental protection. With 24 active factories in Myanmar, that is one BESTSELLER Social & Labour Specialist for every six factories we work with. The factory visits include inspections (document review, factory tour, worker interviews) as well as management interviews and training.

9. How often do you have a third-party factory audit in Myanmar? Please tick as many as apply.

- Annually
- Regularly (more than once per year)
- In case of reported allegations
- Never
- Not sure

Please feel free to provide any further information on third-party auditing in Myanmar:

In addition to the monthly visits by our own staff, all factories are subject to a 3rd party audit every 18 months. Whereas the 3rd party audits are more of a formal compliance checkbox exercise, the real impact from our approach lies in our own monthly social & labour visits / inspections, as this is where we get deeper insight into the operations of the factory, and build the relation and trust with the managements, that ensures strong labour & human rights improvements in the factories.

10. Which stakeholders do you engage in your due diligence process? Please tick as many as apply.

- Workers
- Trade unions in Myanmar
- Workplace Coordinating Committee (WCC)
- Global union federations (eg IndustriALL Global Union)
- Multi-stakeholder initiatives (MSIs)
- Civil society organisations
- SMART Myanmar
- MADE in Myanmar
- Other. Please specify: **Myanmar Centre for Responsible Business, EuroCham, Danish and EU Embassy, international / local legal advisors, and service providers.**

Please detail how you engage with the above stakeholders:

1: With regard to workers, we interview them regularly to get their perspective and provide workers the possibility to raise any concerns directly to our local social & labour team.

2: With regard to organisations and MSIs, we engage in dialogue and take advice on the general level as well as involving them and seeking their advice in case of specific labour & human rights issues. We are member of several of above mentioned organisations and MSIs.

11. Do you have a grievance mechanism that workers in Myanmar can access? Please tick as many as apply.

- Yes, through our company's grievance mechanism
- Yes, through Myanmar's Dispute Resolution system
- Yes, through multi-stakeholder grievance mechanisms
- No
- Not sure
- Other. Please specify:.....

Please provide further details on how the grievance mechanism (if any) is communicated with workers:

1: We require all factories to have effective factory level grievance mechanisms, where workers can raise work related issues and concerns. Our local teams advice factories on such mechanisms.

2: In case of disputes, we facilitate dialogue through bi-partite mechanisms between factory managements and worker representatives such as WCC and external labour rights organisations and trade unions. We require that parties to find resolutions that comply with relevant national law and international guidelines.

3: In a situation where the legal dispute resolution mechanisms is challenged in Myanmar, we also seek independent legal advice for any complex cases.

12. How are you made aware of human rights concerns in your supply chain? Please tick as many as apply.

- Through factory owners
- Through existing grievance mechanism
- Through civil society organisations
- Through trade unions
- Through Workplace Coordinating Committee (WCC)
- Other. Please specify: **Through our own factory inspections and 3rd party audits**

13. When an allegation is raised, what is your standard procedure to address the issue?

We have a Standard Operating Procedure and Protocol for such cases. Our local team will investigate the case, report back to our head office, and a required remediation will be decided. When necessary, we engage relevant stakeholders mentioned under question 10.

14. Please feel free to provide any further information on how you undertake human rights due diligence that you would like us to know.

1: We have a comprehensive Standard Operating Procedure and Protocol to ensure we and our business partners are not affiliated with the military and sanctioned companies and individuals. All factories we work with, and the land they occupy, are scrutinized for this by an international law firm with local presence in Myanmar.

2: We have increased capacity in our local office from 3 to 11 colleagues.

3: We are consolidating our supply chain based on factories and suppliers with a high performance on our Social & Labour and Environment performance rating, where we measure factories and suppliers on more than 200 Labour & Human Rights Indicators. The data for this measurement is collected onsite by our local teams, to ensure strong data validity.

4: We engage with all relevant local and international stakeholders as part of our risk assessments and due diligence.

Part IV: Business decision in Myanmar

15. We understand that the decision as to whether to remain or to discontinue sourcing from Myanmar is complex. Please provide any information on how your company has reached its current business decision in Myanmar.

BESTSELLER is fully aware of our responsibility in Myanmar. We are dedicated to support the people of Myanmar and we work diligently to protect the safety and livelihood of workers in the country. We continuously monitor the situation, and as documented above, act accordingly as the situation develops. Given the challenges impacting the human rights situation in Myanmar, we are in dialogue with experts, NGOs, trade unions and other relevant stakeholders to guide our activities in the country.

The situation in Myanmar is very complicated, and there are no simple solutions. There are potentially negative consequences for both staying and leaving a country in political upheaval. The gravity of this dilemma, we and every other company working in Myanmar faces, emphasises our responsibility to carefully consider every scenario.

We have not taken a long-term decision on our presence in Myanmar. We continuously assess the situation – and the potential and actual human rights impacts from staying or leaving. Currently, our assessment is that our business in Myanmar does not contribute to the military. This is reinforced by a study into the garment sector by EuroCham Myanmar (<https://eurocham-myanmar.org/publications/myanmar-garment-sector-factsheet/>), by thorough research of ownership structures of the factories we work with (conducted by a well reputed international law firm with branch in Yangon), as well as by our ongoing dialogue with our partners as well as key local and international stakeholders.

If we exit, or if the garment industry as a whole exits Myanmar, workers in the industry will suffer severe negative human rights impacts due to loss of income. And it will additionally jeopardise the livelihoods of their families who depend on their income. In case of a sectoral withdrawal, experts estimate that two million people will be negatively impacted.

According to UNDP, this includes food insecurity and households turning to negative coping mechanisms such as eating less or selling income generating assets such as modes of transport and livestock, making recovery extremely challenging. Furthermore, several sources are highlighting cases of ex-garment workers turning to prostitution as a response to their loss of job and income. The risk is enhanced, since the majority of garment workers in Myanmar are women.

According to the UN, the number of people in need of humanitarian assistance in Myanmar has soared, from one million prior to the coup, to an anticipated 17.6 million in 2023 (https://civil-protection-humanitarian-aid.ec.europa.eu/where/asia-and-pacific/myanmarburma_en). The risk of a humanitarian crises is also highlighted by UNDP, who is urging governments and companies to make all efforts to protect garment jobs in Myanmar (<https://www.undp.org/myanmar/publications/livelihoods-hanging-thread-survey-garment-workers-and-firms>).

These factors are incorporated in our ongoing assessment and decision making.

Our clear experience – from our thorough and close engagement with the factories we work with, with their workers, and with local labour and human rights organisations – is that we can conduct effective human & labour rights due diligence in our supply chain in Myanmar. Our current assessment is that if we leave the country, it will only have very limited and indirect impact on the regime. On the contrary, an exit will likely cause direct and severe negative human rights impact. Likewise, we assess that by staying responsibly, with our enhanced human rights due diligence, we support workers in the country by offering livelihoods and decent jobs.

Part V: Responsible exit from Myanmar

*We are asking brands to answer this section if you have either already stopped sourcing from Myanmar, or have announced that you will stop sourcing from Myanmar in the future. **If you plan to continue to sourcing from Myanmar, please skip this section.***

16. Final order placement and final shipment dates (Anticipated if you are planning your exit)
17. Total number of workers being laid off in all suppliers (Anticipated if you are planning your exit)
18. How long in advance have you let your suppliers know about the exit before stopping your orders?
19. Which stakeholders do you engage in your decision and preparation of the exit? Please tick as many as apply.

Workers

Trade unions in Myanmar

- Workplace Coordinating Committee (WCC)
- Global union federations (eg IndustriALL Global Union)
- Multi-stakeholder initiatives (MSIs)
- Civil society organisations
- SMART Myanmar
- MADE in Myanmar
- Other. Please specify:.....

20. How do/did you mitigate the impacts of the exit on workers? Please tick as many as apply.

- Maintain open lines of communication with relevant supply chain partners
- Require suppliers to report their plans for terminations in advance to review these in line with your Codes of Conduct
- Seek evidence of payment of workers at the end of the exit plans, including all severance and benefits payable for those affected
- Other. Please specify:.....

As mentioned, we do not have any long-term plans on our presence in Myanmar, as we are continuously reassessing the situation. We have currently decided to stay, but in parallel we have a responsible exit contingency framework, which will be executed if our Human Rights Risk Assessment changes in favour of discontinuing sourcing from the country.

Thank you for your continued engagement with BHRRC on our work in Myanmar!

Please contact Hanh Nguyen - Senior Labour Rights Researcher at nguyen@business-humanrights.org and Natalie Swan - Head of Labour Rights Programme at swan@business-humanrights.org if you have any questions following this survey.