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 <u>Tracker</u>. 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 II: Operation history in Myanmar

- 5. When did your company start sourcing from Myanmar? 2013.
- 6. Do you still source from Myanmar, as of the 6th April 2023?

⊠ Yes	
\square Yes, but we have announced that we plan to stop sourcing from Myann	nar
\square No, we have now left and no longer have any ongoing production in My	anmar

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		Χ	
in conflict-affected contexts like			
Myanmar			
	Yes	No	Not
			sure

Public disclosure of an up-to-date list of direct and indirect suppliers in Myanmar		X: These suppliers were previously listed. Irrespective of location, it is our normal practice to update supplier lists regularly, showing only suppliers we expect to have ongoing business with. Accordingly, suppliers in Myanmar are no longer listed.
Requirement for suppliers' to undertake a human rights selfassessment 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: After the coup, we have not visited suppliers because of safety concerns.
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: We provide workers with a direct hotline	
Training for suppliers on human rights	X	

*Please feel free to add any further comments

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

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

your suppliers in Myanmar:

We visited suppliers at least once per year but after the coup, we have not visited suppliers because of safety concerns.

9. How often do you have a third-party factory audit in Myanmar? Please tick as many as apply.
☑ Annually
\square Regularly (more than once per year)
\square In case of reported allegations
□ Never
□ Not sure
Please feel free to provide any further information on third-party auditing in Myanmar:
 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)
☐ Civil society organisations
☐ SMART Myanmar
☐ MADE in Myanmar
☐ Other. Please specify:
Please detail how you engage with the above stakeholders:
Workers: Workers are involved in our third-party audit process to check any violation of our CoC or local law. In addition, we established the Fast Retailing Hotline that provides a channel for employees and organizations representing a group of individuals at garment factories to contact us directly and anonymously in their local languages.
MSIs: We are referring to related guidelines from Fair Labor Association (FLA). In addition, our plan to finalise existing production in Myanmar at the conclusion of the current production plan is being reviewed by FLA so that this occurs in a responsible manner.
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
\square 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: Fast Retailing partner factories display Fast Retailing Hotline posters that are provided by us, in a location visible to workers inside their factories. We request factories to communicate to workers of each factory so that they are aware of the Fast Retailing Hotline to voice their concerns, without fear of retaliation and prejudicial treatment should they raise a grievance. Workers are provided the contact details to access the Fast Retailing Hotline in their local languages and contact cards are given to workers who are interviewed during audits conducted by third party auditors or site visits by our Sustainability Department.
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 the International Labour Organization
When an allegation is raised, what is your standard procedure to address the issue? The process depends on the nature of the allegation and on our access to information. Typical steps include, but

When an allegation is raised, what is your standard procedure to address the issue? The process depends on the nature of the allegation and on our access to information. Typical steps include, but are not limited to: fact finding from multiple sources of information, legal interpretation of the case, consultation with stakeholders, mediation with a person(s) or organization(s) bringing forth the allegation and providing remedy or actions when reaching agreement on the case.

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

The details of our human right due diligence are published in our website. https://www.fastretailing.com/eng/sustainability/labor/

Part IV: Business decision in Myanmar

14. 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.

Myanmar accounts for a very small volume of Fast Retailing production and is for our GU brand only. This production is scheduled to conclude naturally at the end of the existing production plan. Given the current instability in Myanmar, there is no plan to commence new production there. Meanwhile,

we have been continuing our human rights due diligence for all suppliers that are foreign invested and will continue monitoring until our production there ends.

Part V: Responsible exit from Myanmar

legal wage and benefit entitlements.

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.

- 15. Final order placement and final shipment dates (Anticipated if you are planning your exit)
 Our current production schedule will conclude with orders for our GU brand's 2023
 Fall/Winter collection.
 - Total number of workers being laid off in all suppliers (Anticipated if you are planning your exit) Our production in Myanmar is limited and is coming to a natural and scheduled conclusion. It is not a sudden exit, and we advised our production well in advance of suggested timeframes from relevant stakeholder groups on this issue.

 As always, however, in cases where layoffs are unavoidable at any of our production partner locations, we work to ensure suppliers follow proper processes and that workers receive
- 16. How long in advance have you let your suppliers know about the exit before stopping your orders? Regarding the natural conclusion of our production plan in Myanmar, suppliers were informed well in advance of relevant stakeholders' suggested timeframes in order to allow the maximum time possible to secure new business.
- 17. Which stakeholders do you engage in your decision and preparation of the exit? Please tick as many as apply.

☐ Trade unions in Myanmar
☑ Workplace Coordinating Committee (WCC)
☐ Global union federations (eg IndustriALL Global Union)
☐ Civil society organisations
☐ SMART Myanmar
☐ MADE in Myanmar
☐ Other. Please specify:
18. 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:

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

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