

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: [Industria de Diseño Textil, S.A.](#)
2. Your name:
3. Your role:
4. Your department: [Sustainability Department](#)

Part II: Operation history in Myanmar

5. When did your company start sourcing from Myanmar?

[Inditex started sourcing from Myanmar in 2016 Summer season.](#)

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		

	Yes	No	Not sure
Public disclosure of an up-to-date list of direct and indirect suppliers in Myanmar		X (*)	
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*

(*) Under the Global Framework Agreement with IndustriALL Global Union, Inditex shares all the information related to its supply chain with the international trade union on a regular manner. This is being reinforced through a specific communication channel developed as part of the work we began related with the "Framework Principles of a Brand's Responsible Business Disengagement from Myanmar." This information and communication channel is effective with IndustriALL Global Union and through them with their local affiliates in our clusters of production.

(**) Currently we have an Inditex representative on the country, appointed for monitoring our supply chain and closely working with the factories that conform it, who is supported by the Sustainability corporate team, and also by the China cluster Sustainability team. We are currently in the process of reinforcing this approach.

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:.....

At Inditex we have a close interaction and relation with the factories of our supply chain in Myanmar. For that purpose, we have constant presence in the country with an Inditex representative who is in charge, among other tasks, of doing factory visits and inspections every week.

These visits range from traceability to social audits, including follow-up visits of our corrective action plans. As a result, factories are visited on regular basis by our teams.

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:.....

Any manufacturer or supplier wishing to form part of the Inditex supply chain must comply with the Code of Conduct for Manufacturers and Suppliers. Compliance with this Code is verified through frequent and periodic audits.

Information about the complete supply chain monitoring process is available at the following document: https://www.inditex.com/itxcomweb/api/media/2470b4cc-6c80-4dfd-ba3d-63844acfeb45/Supply_chain_management_transform_sector.pdf?t=1678706473299

In this regard, even though all the related methodologies and procedures are standard, the specific challenges and complexities in Myanmar have led us to adapt this program, to reinforce our due diligence and monitoring efforts in the country.

In this sense, since last year we have increased the frequency of third-party audits as well as the monitoring of the corrective actions required as a result of these audits.

Corrective action plans are developed after each social audit and improvement is closely monitored by Inditex teams, including the performance of a follow-up visit after the audit.

This increased frequency of our audits has enabled us to obtain a deeper understanding of the level of compliance, a closer interaction with factories and related suppliers to improve non-compliances and a quicker reaction in case of any potential negative impact on human and labour rights of the workers in our supply chain.

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:.....

Please detail how you engage with the above stakeholders:.....

Engagement with stakeholders feeds our due diligence process. Our close collaboration with them allows us to obtain information from different sources to fuel our strategy. The flexibility and speed with which we act on any emerging human rights challenge allows us to incorporate new mechanisms and tools or develop new plans to help us identify, prevent, mitigate and, if necessary, remedy potential impacts.

In this regard, there is no overstating the importance of the solid relationships we forge with expert organisations in the field who support us in developing different actions. It is also essential to establish a dialogue with the groups potentially impacted by the Company's operations, liaising both directly and through their representatives. Listening, understanding, and responding to their expectations is part of the due diligence process and, more generally, of weaving respect for human rights into operations and relationships. The engagement mechanisms developed depend on the nature of the stakeholder group, we adapt our approach to the specificities of each of them.

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:.....

Under the Global Framework Agreement between Inditex and IndustriALL Global Union there is a specific communication channel that implies a grievance mechanism for the resolution of any allegation that cannot be solved at the closer level of the worker at the factory itself. As part of this, IndustriALL and their local affiliates along with Inditex sustainability teams work closely to facilitate social dialogue and the resolution and remediation of any type of potential breach under our Global Framework Agreement

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

Inditex makes available information about the company's main grievance mechanism (the Ethics Line) through the Code of Conduct of Manufacturers, which indicates the contact information (address, email and fax number) and a brief explanation of the Ethics Line. As required by the Code itself, it has to not only be communicated to all employees and those in any way involved in the Inditex supply chain, but also be available in the local language and displayed in accessible locations to all workers in the factories, therefore ensuring access to a confidential channel in which supply chain workers can communicate to Inditex any non-compliance.

To ensure compliance with all the requirements stated in the Code, including access to information related to the Ethics Line, social audits are carried out periodically and regularly at each supplier and factory in our supply chain, where this is verified. Additionally, the Ethics Line is made easily accessible through our corporate website.

Furthermore, the Global Framework Agreement between Inditex and IndustriALL Global Union acts as a very valuable grievance mechanism through which workers of Inditex supply chain can raise their concerns.

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:.....

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

In addition to the formal procedure under the Global Framework Agreement that we have with IndustriALL Global Union, we would like to share that from the moment that an allegation on a potential breach of our Code of Conduct is received, Inditex establishes a communication channel with the organization who has submitted the allegation to guarantee that there will be formal communication for the monitoring and follow up of the case.

As a next step we use all the available means to get reliable information on the allegation which may include a different range of actions, from direct contact with supplier/workers/their representatives to an internal or independent third-party investigation that allows us to understand the basis of the allegation and in consequence the remediation actions to be required to the specific factory (if any is required). At the centre of the process and whenever circumstances allow it, we will strongly encourage parties to enter in a social dialogue process that may end in a satisfactory resolution of the case in close cooperation with our buying teams and any international brand or international/national organization that may have any type of leverage or technical expertise which adds value to the process for its prompt resolution

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

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.

As part of its reinforced due diligence in the country, Inditex continues reinforcing its own and third-party assessments along with an active cooperation with different International and National stakeholders, including our main partner IndustriALL Global Union and its affiliate IWFM. In this sense, our company is currently working in the Framework Principles of a Brand's Responsible Business Disengagement from Myanmar, a responsible exit document from the country which was published by IndustriALL in February 2023.

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)

As commented in previous question, our company is currently working on the Framework Principles of a Brand's Responsible Business Disengagement from Myanmar.

17. Total number of workers being laid off in all suppliers (Anticipated if you are planning your exit)

This issue is also contemplated under the work that we are currently developing on the Framework Principles of a Brand's Responsible Business Disengagement from Myanmar.

18. How long in advance have you let your suppliers know about the exit before stopping your orders?

This issue is also contemplated under the work that we are currently developing on the Framework Principles of a Brand's Responsible Business Disengagement from Myanmar.

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 previously explained, we are currently working on the Framework Principles of a Brand’s Responsible Business Disengagement from Myanmar, which describes a business disengagement negotiated with workers’ representatives that guarantees, among other aspects, that workers’ rights are protected and guarantees that workers’ rights violation cases that could be still pending will be remediated. For doing so, we are in close and constant contact with our suppliers, raising awareness also about the principles included in said Framework.

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.