

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: Kappahl AB
2. Your name: Sarah Dahlin
3. Your role: Global Production Manager
4. Your department: Production & Supply Chain

Part II: Operation history in Myanmar

5. When did your company start sourcing from Myanmar? In 2015
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?*(this is during the time Kappahl had operations in Myanmar 2015 - 2020)

	Yes	No	Not sure
Human rights due diligence guideline 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		
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*

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

Not applicable for us

- 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:.....

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

Not applicable for us

- 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:.....

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

Not applicable for us

- 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:.....

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

Not applicable for us

- 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:.....

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:..... Kappahl visits all our direct suppliers with their own staff who have a dialogue with the workers on site. The factory visit covers all parts of a workplace that meet human rights, including safety, wages and union affiliation.

13. When an allegation is raised, what is your standard procedure to address the issue? **All our suppliers are obliged to follow our Sustainability Commitment Sustainability Commitment**

(previously Code of Conduct) . We perform inspections and continuous follow-up visits at every supplier facility in order to drive improvements on working conditions. If we identify a need for improvement, the supplier is required to create an action plan, clearly stating when the actions are to be completed. This is closely monitored and followed-up by us.

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.

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)

Final order placed December 2020, Final shipment July 2021

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

Non according to our knowledge

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

We started to reduce our share in MM from end 2019, beginning 2020, due to our business volumes didn't suit MM as a market, MM have too high MOQ and MCQ for our volumes, it made as too small for MM as a market so we struggled a lot to even place orders. Our decision was not grounded in what happened in MM 2021, it was more due to the fact that we couldn't grow as we wanted, our market share in MM out of total volumes were between 2-4% only.

19. Which stakeholders do you engage in your decision and preparation of the exit? Please tick as many as apply.

As Kappahl is a member of ETI we had a discussion and shared our decision with them.

- 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:.....ETI.....

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:.....

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.