

November 2019

To the attention of: Alysha Khambay and Bobbie Sta Maria Business & Human Rights Resource Center

Dear Alysha Khambay and Bobbie Sta Maria,

This response is referring to the request from Business & Human Rights Resource Center to C&A to comment on the strike at Myanmar Knitting Factory, Pathein Industrial Zone (currently a C&A supplier's production unit) and the subsequent charges against the seven strike leaders.

For C&A, securing decent working conditions and promoting labour rights is one of our top priorities as a business. Our requirements are clearly defined in our <u>Global Supplier Code of Conduct</u>, which is implemented throughout our supply chain. The code provides a uniform set of expectations for suppliers on legal compliance, labour practices and environmental performance, supported by a comprehensive set of guidelines. The code itself focuses on compliance, while our general approach goes further: building capacity amongst our key suppliers so they can proactively take ownership of key issues, like in the case of Myanmar Knitting Factory.

A workers' strike at Myanmar Knitting Factory was initiated on 2 September 2019. C&A was informed about it on the same day and our local team was in close contact with the factory and the workers to potentially support a smooth settlement of the case. The Worker Representation handed a list with 45 demands over to the Factory Management. The demands were, among others, in relation to health & safety, wages and benefits and working hours. According to information we received from the factory management, on 3 September, a negotiation meeting took place between the Workers Representation and the Factory Management during which 39 demands were agreed. On 4 September, a second negotiation meeting was conducted and an initial agreement on all the 45 demands was signed between the Workers Representation and the Factory Management, with a witness of a civil society representative and an industrial relations mediator.

On 6 Sept 2019, the Factory Management informed us that a final agreement had been signed in the presence of a Township Office representative. With that, the dispute was settled between both parties.

Safe and fair labour practices supported by mature industrial relations should be the norm for all garment workers and not just the ones that work in our suppliers' factories. That is why we are using our influence to build capacity across our supply chain, striving to normalise good practices and create convergence with other brands and multi stakeholder initiatives



such as Ethical Trading Initiative, German Partnership for Sustainable Textiles, Dutch Covenant, ACT for living wages.

According to the news reports, the charges against the seven labour leaders who have participated in the strike have been drawn by the Pathein Myanmar Police. C&A is closely monitoring the situation. As a standard business practice, C&A cannot publicly comment on a situation that concerns ongoing cases between a state authority in a producing country and its citizens. What we can confirm is that the seven affected workers have continued their work as usual in the factory.

We dearly hope that the case affecting the seven workers will be resolved as soon as possible.

If you have questions, do not hesitate to contact me.

Best regards,

Aleix Busquets Gonzalez

Head of External Stakeholder Engagement - Global Sustainability



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