



20 YEARS OF

**Business & Human Rights
Resource Centre**

Falling out of fashion

**GARMENT WORKER ABUSE UNDER
MILITARY RULE IN MYANMAR**

AUGUST 2023

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Photo by Zaid Moosa

Executive summary

Two and a half years after the military coup upended democratic rule in Myanmar and pushed garment workers – most of them women – to the forefront of resistance against the brutal regime, human and worker rights abuse is endemic throughout the country and on the rise. Violence against civilians – particularly ethnic minority groups, [women](#), [children](#) and pro-democracy activists – is increasing, opposition and dissent are quickly quashed and trade unions have been targeted, reporting their leaders have been forced into hiding and factory conditions for garment workers are increasingly brutal. Gender-based violence, wage violations, unpaid and mandatory overtime, inhumane working conditions and other forms of abuse are common. Reports suggest wages hover around US\$2, the lowest in the region, amid rampant inflation in the country. Nevertheless, Myanmar’s garment industry remains the country’s single strongest sector, exporting clothes, shoes and leather goods to major household-name brands found in wardrobes across the world.

In this report, the Business & Human Rights Resource Centre (the Resource Centre) examines the state of garment workers’ rights in Myanmar’s apparel sector and sourcing brands’ approach to human rights due diligence in the country in order to ask: at what cost?

When – as has happened in Myanmar – a repressive military regime takes over state machinery, with garment sector workers and their representatives squarely in its crosshairs, brands sourcing from the country have an unequivocal obligation to conduct heightened human rights due diligence on their supply chains. Where this is not possible, international standards are equally clear: brands must consider responsible exit from the country. Brands – and their investors – which ignore this course of action, while continuing to benefit from low production costs in Myanmar, risk capitalising on an operating environment made possible by a regime known for its brutal rights violations and repression.

HOW MANY ALLEGATIONS HAVE BEEN LINKED TO BRANDS?

| ▼ Responded to survey questions? | |
|--|----|
| ✓ Inditex | 21 |
| ✓ H&M Group | 20 |
| ✓ Primark | 19 |
| ✓ BESTSELLER | 17 |
| ✗ LPP S.A. | 12 |
| ✓ KIABI | 8 |
| ✓ C&A | 7 |
| ✗ Mango | 7 |
| ✓ OVS S.p.A | 7 |
| ✓ Lidl | 6 |
| ✗ New Yorker | 6 |
| ✓ adidas | 5 |
| ✓ Auchan | 5 |
| ✗ GUESS | 5 |
| ✓ Next | 5 |
| ✗ Pep&CO | 5 |
| ✓ Sioen | 5 |
| ✗ Creaciones Selene | 4 |
| ✓ Kappahl | 4 |
| ✗ Moschino | 4 |
| ✓ Hunkemöller | 3 |
| ✗ JAKO | 3 |
| ✗ Justin Brands | 3 |
| ✓ M&S | 3 |
| ✗ Regatta | 3 |
| ✓ Tendam | 3 |
| ✗ American Holic | 2 |
| ✗ Carhartt | 2 |
| ✗ Dunnes | 2 |
| ✓ Fast Retailing | 2 |
| ✗ Juicy Couture (part of Authentic Brands) | 2 |
| ✗ Koltov | 2 |
| ✗ La Senza | 2 |
| ✗ SKIMS | 2 |
| ✓ Tesco | 2 |
| ✗ Calliope | 1 |
| ✗ Fristads | 1 |
| ✗ Gratex Industries | 1 |
| ✗ Jennyfer | 1 |
| ✓ Matalan | 1 |
| ✗ Cordura | 1 |
| ✓ Otto Group | 1 |
| ✗ Piazza Italia | 1 |
| ✗ Shimamura | 1 |
| ✗ Terranova | 1 |
| ✓ Topvalu | 1 |

This report demonstrates urgent action is needed by these stakeholders. In the two years after Myanmar's military coup in February 2021, our [Myanmar Garment Worker Allegations Tracker](#) (the Tracker) identified 212 publicly-reported cases of alleged labour and human rights abuse affecting at least 108,000 garment workers employed at 124 factories, producing for at least 46 global fashion brands and retailers. Importantly, there has been a significant uptick in allegations, from 56 allegations between February 2021 to February 2022 to 156 allegations in the subsequent 12 months. In other words: things are getting worse for garment workers – and quickly.

Of particular concern:

- ➔ **Wage reduction** and **wage theft** remain the most reported allegations (linked to over half of cases, 55%), followed by **unfair dismissal** (42% of cases) and **inhumane work rates** and **forced (and often unpaid) overtime** (42% of cases).
- ➔ **Gender-based violence and harassment**, including verbal, psychological and physical abuses, and pregnancy discrimination, is widespread. The Tracker recorded multiple instances of women being threatened and unfairly dismissed for not meeting production targets.
- ➔ **Attacks on garment workers' civil liberties** take various forms, including attacks on freedom of association in the workplace (26% of allegations) as the crackdown on trade unions continues. The Tracker also documents employer-military collusion (linked to 15% of allegations), whereby employers call the military into factories to intimidate workers, and the military is able to enter workplaces to target pro-democracy activists.
- ➔ Amid this crackdown on freedom of association, **apparel brands are disproportionately relying on alternative forms of stakeholder engagement**; from multi-stakeholder and industry initiatives to communication through worker-voice technology and Workplace Coordinating Committees (WCCs), the latter of which are tacitly condoned by the military as trade unions are persecuted.

Through analysis of the Tracker allegations and responses to a survey sent to the 46 fashion brands and retailers linked to allegations, alongside interviews with trade union leaders on the ground, this report spotlights how brands are approaching the need for heightened due diligence. It also tracks company decisions to leave Myanmar, as brands including **C&A**, **Marks & Spencer**, **Tesco**, **Kappahl**, **Fast Retailing**, **Inditex** and **Primark** have chosen to do. The report highlights the efforts some apparel brands have made to ensure greater oversight of their supply chain in Myanmar and crucially, the gaps which remain – including that only 21 of the 46 identified brands responded to the survey questions on their human rights due diligence practices in this high-risk context.

Examples of better practice include:

- ➔ **All 21 brands** which responded to the survey referenced the existence of a supplier code of conduct which includes human rights, and indicated they understood the need for heightened human rights due diligence in Myanmar.
- ➔ Most responding brands reported undertaking regular field visits and capacity building for suppliers in Myanmar. Multiple brands outlined their own inspections in addition to external audits (**BESTSELLER**, **H&M**, **Inditex**, **Kappahl**, **Lidl**, **M&S**, **Otto Group**, **OVS S.p.A**, **Primark** and **Topvalu**), enabled by the presence of field offices in Myanmar.

Nonetheless, our research makes clear that brands continuing to source from Myanmar must take further measures to assess whether they can ensure the absence of employer-military collusion, that worker-driven stakeholder engagement takes place and that livelihood needs are met. Evidence increasingly indicates that the current operating environment makes such heightened due diligence efforts nearly impossible.

This approach will, however, also become increasingly non-negotiable in light of the global shift from voluntary to mandatory human rights due diligence, particularly as negotiations on the European Union's Corporate Sustainability Due Diligence Directive (CSDDD) enter the final stages. The range of responses from brands captured in this report in respect of their operations in Myanmar demonstrate the need for a consistent approach that requires companies to publicly communicate how they are meeting the highest standards when it comes to due diligence – and to acknowledge where this is simply not possible, as union leaders report is currently the case in Myanmar. In such circumstances, responsible exit must follow.

Recommendations

Key recommendations to apparel brands and retailers:

- ➔ Maintain a fully up-to-date and publicly available list of all direct and indirect suppliers in Myanmar; publicly and in detail outline their business decision and approach in Myanmar.
- ➔ Engage closely with workers and their trade union representatives in all processes of risk identification and assessment, remediation and evaluation of the impacts of their business or divestment activities on workers.
- ➔ **To continue sourcing from Myanmar, brands must demonstrate their adherence to the highest requirements of human rights due diligence.** This means brands must ensure that the process is transparent and risk-based. As labour rights frameworks in Myanmar are outdated and the rule of law is non-existent, brands should protect workers' fundamental rights, including the rights to decent wages and collective bargaining, through responsible purchasing practices and international human rights instruments.
- ➔ **Where heightened human rights due diligence is not possible, as union leaders report, brands must plan to responsibly end sourcing from Myanmar.** Companies must make publicly available plans for a responsible exit, following existing guidance by IndustriALL Global Union, and in close collaboration with trade unions inside and outside of Myanmar to minimise the risk of adverse human rights impacts pre- and post-exit.

Key recommendations to governments:

- ➔ Develop comprehensive mandatory human and environmental due diligence legislation, with specific reference to companies' responsibility in high-risk contexts such as Myanmar.
- ➔ With specific reference to the European Union institutions, ensure the final CSDDD:
 - ➔ Requires a transparent and risk-based approach to due diligence, meaning companies report on their activities in high-risk contexts such as Myanmar.
 - ➔ Compels companies to engage fully and effectively with stakeholders, and defines "stakeholder" as explicitly including workers and trade unions.
 - ➔ Places the burden of proof on companies, rather than victims of corporate abuse, to demonstrate whether due diligence has been adequately conducted.

Key recommendations to investors in apparel brands and retailers:

- ➔ Conduct a thorough country, sector and company-level risk assessment to better understand the human rights risks and potential harms linked to investment in Myanmar.
- ➔ Consider all investment and engagement tools at their disposal to influence and seek to mitigate the crisis in Myanmar.
- ➔ Perform targeted divestment and engagement regarding corporate operations in the region. Either individually, or as a collective, increase the frequency of company engagement on human rights risks, with a focus on reducing and remediating risks to individuals and communities as opposed to risks to business. Consider divestment in cases where companies are not demonstrating sufficient action.
- ➔ Increase public policy engagement and publicly condemn the violence in Myanmar, e.g. by aligning with statements from the [Investor Alliance for Human Rights](#).



Photo by [IndustriALL Global Union](#)



Introduction

Photo by Zaid Moosa

Myanmar's garment sector emerged in the 1990s as part of the country's economic transformation from a focus on agriculture to industry. The country's economic and political liberalisation from 2011, alongside the lure of cheap labour, was a key incentive attracting foreign investment to Myanmar, rapidly driving up the value of garment exports from just under [US\\$1billion in 2012 to US\\$5.7 billion in 2019](#). This development of garment manufacturing in Myanmar went hand-in-hand with the institution of new labour laws, including the 2011 Labour Organisation Law that legalised trade union registration and collective bargaining, giving rise to a decade of growth in worker organising.

However, the military takeover and imposition of the State Administrative Council (SAC) in February 2021 put an end to this progress. The garment sector has seen [substantial](#) job losses and underemployment, alongside a proliferation of labour rights abuse against its largely female workforce. Post-coup, the regime quickly cracked down on the country's burgeoning labour movement, declaring 16 unregistered trade unions and civil society organisations [illegal](#), and arresting and killing [55 union leaders](#). According to the [International Labour Organisation](#) (ILO), trade unionists still face targeted persecution more than two years after the coup, including arbitrary arrest, detentions, acts of violence, raids on homes and offices, interrogation and surveillance, among other tactics.

While the opening of democratic space in Myanmar over a decade ago saw a swift, large-scale entry into the country by international apparel brands, its rapid disintegration has not been matched by a similar withdrawal by these same companies. Even as the sector has contracted since the events of 2021, apparel remains one of Myanmar's largest employers, accounting for [more than 30% of the country's total exports](#). Sourcing from the country therefore requires critical attention by apparel brands, not just as per their duty to respect human rights and undertake due diligence as defined in the [United Nations Guiding Principles on Business & Human Rights](#) (UNGPs), but to meet the imperative of heightened due diligence in Myanmar given the specific challenges of sourcing from countries where armed conflict or other situations of widespread violence are taking place. Where this is not possible, businesses must engage in a responsible exit that centres the welfare of workers and their families.

More than two years on from the coup, this report provides a snapshot of the proliferation of human rights abuses against workers in the apparel sector, and what brands are doing about it. First, it pulls out examples of poor and better practices by brands responding to individual allegations of abuse contained in the Tracker, followed by a more comprehensive look at how certain apparel brands are approaching the urgent need for heightened due diligence in Myanmar, as described in their responses to a survey conducted by the Resource Centre. Ultimately, our findings reveal a damning picture of abuse and indignities for workers, meaning the pressure is on for sourcing brands to further interrogate their supply chains and own practices.

Driving corporate accountability in Myanmar

Over the past two and a half years, an emerging body of evidence points towards a need for brands to rethink their human rights and business model in Myanmar. Whether staying in or leaving Myanmar, trade unions and civil society are clear: business as usual is no longer an option.

In September 2022, the **Ethical Trading Initiative's** (ETI) [Myanmar enhanced due diligence sectoral assessment](#) declared the corporate responsibility to respect human rights in the country's apparel sector was significantly restricted. Falling short of declaring all out divestment from Myanmar, the assessment outlines the difficulty in conducting *normal* due diligence, putting the onus on companies to demonstrate how they are respecting human rights. Where companies take the decision to end business relationships in Myanmar, this should be done responsibly, in consultation with social partners and centring the welfare of workers and their families.

In 2021, **IndustriALL Global Union's** congress voted to support demands for comprehensive economic sanctions against Myanmar. In February 2023, after negotiation with a number of apparel brands, IndustriALL published a jointly-developed [Framework for a responsible business disengagement from Myanmar](#).

In October 2022, **Fair Wear Foundation** published its [Policy on business in Myanmar](#), based on consultations with relevant stakeholders, extensive desk-based research and a sectoral due diligence assessment carried out in partnership with ETI. The multi-stakeholder initiative has adapted its requirements to include the expectation that member brands start to responsibly disengage from Myanmar.

In February 2023, the **Clean Clothes Campaign** (CCC) [called for](#) brands to conduct “ongoing and heightened due diligence, designed specifically for the high-risk context” if they choose to continue business in Myanmar. Brands must also prioritise the human rights of workers and ensure their operations do not support, whether directly or indirectly, the military junta. For brands exiting Myanmar, CCC calls for a responsible and robust exit strategy that prioritises workers' rights and assesses and mitigates impacts on workers.

Methodology

Alongside desk-based research, findings in this report were identified through three key sources:

- ➔ The Resource Centre's [Myanmar Garment Worker Allegations Tracker](#) documenting allegations from March 2021 to February 2023.
- ➔ A [survey](#) sent to the 46 fashion brands and retailers¹ linked to allegations in the Tracker, conducted between April and May 2023.
- ➔ Interviews with six union leaders and civil society actors on the ground conducted between April and May 2023. Names and identifiable characteristics of five interviewees have been anonymised to ensure their safety.

A full methodology can be found in the [Appendix](#).

A note on transparency

The role of transparency in due diligence is a crucial first step to driving corporate accountability across supply chains, including providing workers and their allies with the vital information needed not just to identify sourcing brands but to also enter into meaningful dialogue. The garment industry has made some progress towards open information, and the Tracker exists due to supply chain disclosure available by apparel companies. Likewise, **analysis of brands' approach to due diligence in this report has been assisted by the cooperation of the 21 brands who responded to our survey.**

¹ One allegation documented in the Tracker was linked to three fashion brands and retailers. It was reported that after the Resource Centre published the allegations and sought company responses with regard to the allegation, several workers involved were punished and threatened. Due to this safety concern, the Resource Centre left out three brands from the survey and this report.

How does the Myanmar Garment Worker Allegations Tracker work?

Through collaboration with partners and allies inside and outside Myanmar, the Resource Centre has monitored the significant increase in labour and human rights abuses perpetrated against garment workers across the country since the military takeover.

How allegations are identified and verified

The Tracker is a database recording labour rights abuses in garment factories in Myanmar since the military takeover in February 2021. **Allegations** in the database are found via publicly available information, with sources including local and international media, as well as Twitter and Facebook accounts from reputable sources such as unions and labour rights leaders, who are regularly reporting labour rights abuses on their platforms.

Where possible, the Resource Centre further verifies information, including details of the allegations and trends of human and labour rights abuses, with partners working inside and outside Myanmar.

How allegations are classified

One allegation in the Tracker can be categorised into multiple types of abuse, ranging from wage theft, unfair dismissal and inhumane work rates to killings, arrests and arbitrary detention of workers by the military. Throughout this report, **allegations** therefore describe the often multiple types of abuse they represent.

How we link allegations to and seek responses from companies

Allegations in the Tracker are limited to those which can be linked to named factories. The Resource Centre uses [Open Supply Hub](#), import data and supplier company websites to find connections to international buyers. From there, brands are invited to provide a **response**, including: 1) whether the brand sources from the factory, and 2) what they are doing to remediate abuse. Responses (or non-responses) are published alongside the relevant allegation on the [Resource Centre's website](#). If a brand states it does not source from the factory, it is not included alongside the allegation, but its response is published on our website. If a brand does not respond, it is reported as “*allegedly*” linked to the allegation.

Once company responses are online, other stakeholders, including authors of the original source material, labour and civil society organisations, are able to submit a reply to the brand's position through a rejoinder. The company is once again invited to respond.

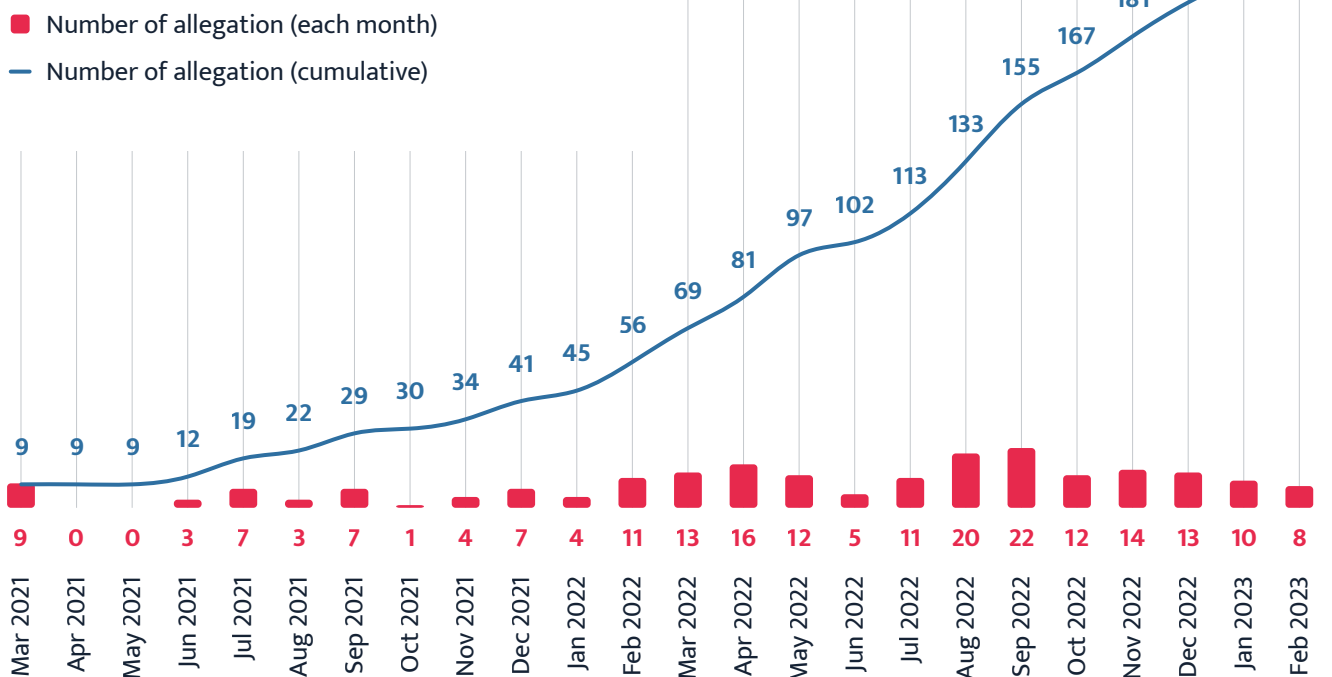
Limitations to the Tracker

While the Tracker can provide useful insights into the key trends and characteristics of allegations of human and labour rights abuses in Myanmar, it has several limitations presented in the [Appendix](#) alongside some mitigation measures.

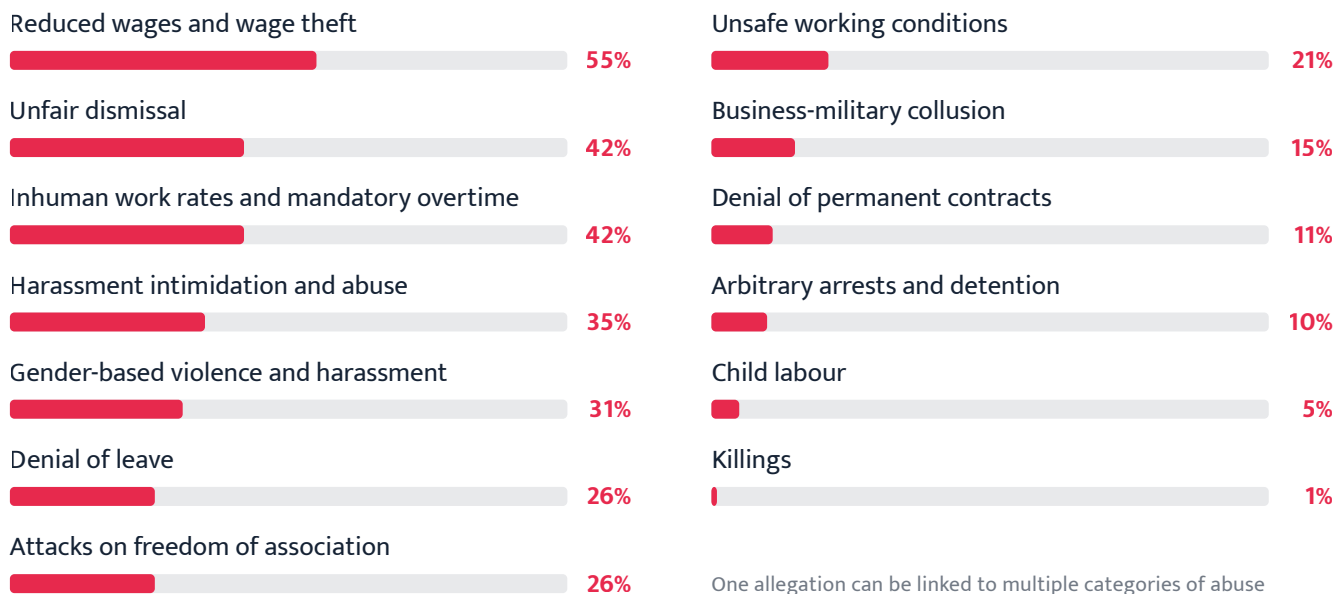
Rising abuse of garment workers: Allegation tracking

Data from the Tracker has shown a consistent increase in the number of human and labour rights allegations documented in Myanmar’s garment industry since the 2021 military takeover. Of the 212 allegations documented in the Tracker, the Resource Centre has linked 151 allegations to at least 46 brands and retailers who are currently or have previously sourced from the suppliers where alleged rights abuses took place. Brands linked to the highest numbers of cases of alleged abuse include Inditex (21 cases), H&M (20 cases), Primark (19 cases), BESTSELLER (17 cases) and LPP S.A (12 cases). Given only partial disclosure of supply chain facilities by buyers across the industry, the number of fashion brands connected to these abuses is likely much higher.

ALLEGATIONS DOCUMENTED BETWEEN MARCH 2021 AND FEBRUARY 2023



ALLEGATIONS BY CATEGORY OF ABUSE



Reduced wages and wage theft continued to be the most significant rights violation since the military takeover, found in **more than half (55%)** of the documented allegations and affecting at least **82,000 workers**. Worryingly, reported cases of wage violations increased sharply over time, jumping from 17 documented cases during the year after the coup (February 2021 – February 2022) to 100 cases in the following 12 months. Wage violations are also increasingly connected to **inhumane work rates and mandatory overtime** (linked to 42% of cases). In one particularly concerning allegation from November 2022, more than 5,000 workers at [KAIXI Myanmar Fashion](#) (supplying **Primark** and **Inditex**) were reportedly asked to meet excessive production targets and forced to work overtime without payment.

To contextualise these allegations, the ongoing economic crisis in Myanmar means the minimum wage has not been amended since 2018, initially due to government delays and more recently as trade unions boycott pay negotiations with the military regime. In the absence of a sectoral agreement, the Tracker documents multiple cases of workers attempting to obtain decent wages at factory level. In August 2022, more than 800 workers from the [Myanmar Luxury Group Company garment factory](#) joined a protest demanding higher wages to meet the increased cost of living. One worker reported: “Many workers are migrants, so it’s not convenient for us to borrow money. [...] Most of us don’t eat breakfast anymore. [...] I used to cook meat 2 days a week, but now I can’t...”

Within this context, trade unions representing garment workers are calling for international fashion brands to ensure a living wage for workers in their supply chain.

“ If we want to legally increase the minimum wage, we will need to include the State Administration Council (SAC), so we don’t encourage brands to advocate that way. What we are trying to encourage brands to do is to increase the salary/living wage for workers to cover the increased cost of living. Nowadays the price of food and housing really increases, if workers had three dollars per day before, they would have only 1.5 dollars per day now.”

Union leader in Myanmar, interviewed April 2023

Unfair dismissal was the second most reported abuse in the Tracker, found in **42% of documented cases**.

In December 2022, after demanding contractual norms such as paid leave, workers at the [Myanmar Best Fortune garment factory](#) were dismissed. They reported: *“The staff said they had no plan to give these rights [to us] and told us that the factory owners also no longer wanted us, then we were fired.”* In another instance, 200 workers at the [Tianjin Fashion Milestone factory](#) (supplying **BESTSELLER**) were laid off due to order reductions. According to the dismissed workers, there was no trade union in the factory to negotiate the lay-off and workers were fired with only a month’s notice.

Nearly a third of cases (31%) related to **harassment, intimidation and abuse**, with an overwhelming share concerning **gender-based violence and harassment** against women. In May 2022, more than 1,000 workers at the [Myanmar Efforts Garment factory](#) (supplying **Hunkemöller**) reported that their supervisors used harsh language if they did not meet production targets. Those who refused to work overtime were insulted and dismissed. In September 2022, workers at the [Saung Oo Shwe Nay Garment Factory](#) (supplying **H&M**) were forced to walk on their knees for not producing the number of garments required by the factory owner.

Verbal abuse and threats specifically targeting women, who make up [the majority](#) of the country’s apparel workforce, have been widely documented. Reports suggest female workers have been regularly [shouted at, threatened, beaten and unfairly dismissed](#) for not meeting production targets. In September 2022, female workers at the [ESLITE Garment Co. Ltd garment factory](#) (supplying **Carhartt**) reported facing verbal abuse and threats by the factory owner. The Tracker also documented the case of a woman worker who was raped while walking home after being forced to work overtime at [Hesheng factory](#) (allegedly supplying **GUESS** and **Moschino**). Pregnant women are particularly vulnerable. In August 2022, workers at the [Myanmar Jiale Fashion Garment factory](#) (supplying **H&M** and **Inditex**) reported pregnancy discrimination including alleged absence of pregnancy benefits and dismissal of female workers after they give birth.

Attacks on freedom of association have also increased, from 16 Tracker cases in the 12 months following the coup to 39 cases in the following year. Such attacks are linked to **26% of allegations**. *“Every time workers formed unions in the workplace, they are fired,”* said a worker at the [Topline Global factory](#) (allegedly supplying **New Yorker** and **Creaciones Selene**). In another instance, a garment worker reported that due to his previous role as a union leader, he was fired from his new workplace, [Best Choice Garment Co](#), within three days.

Given the wholesale attack by the state on civic freedoms since February 2021, cases of union busting often indicate not just employer repression, but complicity with the military regime. **Business-military collusion** arose at the onset of the coup and can be linked to **15% of allegations** in the Tracker. This includes reports of factory owners locking up workers for several hours to prevent them from joining pro-democracy protests at [GY Sen factory](#) (supplying **Primark**) and dismissal of workers from regions known for anti-military resistance at [multiple factories](#) (supplying **LPP S.A.**, **H&M** and **Inditex**). Links to attacks on freedom of association and collusion with the military are particularly stark in the case of [Shuangxi Myanmar](#) (supplying **JAKO**), where workers reported factory management regularly calling in the military. A worker highlighted: *“...the unions are not able to protect the workers because they are being threatened... I am afraid every day.”*

Ultimately, for garment workers, the price of protest is not just dismissal but state persecution. According to Tracker data, **10% of documented allegations** are related to **arbitrary arrests and detentions**, mostly targeting union leaders and unionised workers. The Tracker also documented two cases of killings, including one case concerning the deaths of two union leaders at [Xing Jia shoe factory](#) (supplying **Justin Brands**) in March 2021.

The rise of Workplace Coordinating Committees

While trade unions were legalised in 2011, the 2012 Labour Dispute Law also instituted Workplace Coordinating Committees (WCCs) in factories with more than 30 workers. **WCCs include both employer and employee representatives, but in many cases lack independence from management and are unable to make comprehensive improvements for workers through collective bargaining on wages, terms and conditions.** While these [concerns](#) have been raised over the past decade, the coup has further tilted the scale in favour of WCCs. As trade unions have been blacklisted, their leaders threatened and registrations stalled, factories and brands increasingly engage WCCs as key stakeholders.

The involvement of WCCs in allegations captured by the Tracker, both for failing to represent worker needs and in some cases directly perpetrating abuse, is an emerging trend. In December 2022, it was reported that a worker at the [Saung Oo Shwe Nay \(Golden Sunshine\)](#) factory (supplying **H&M**) made a complaint to the WCC after being beaten by their supervisor, with no response or action from the WCC representatives. In September 2022, workers alleged that employers at the [Myanmar Guotai Huasheng Glory Fashion Garment factory](#) (supplying or formerly supplying **Auchan, Carrefour, Lidl and Primark**) ignored the results of WCC elections, instead hand-picking their preferred worker representatives. These representatives not only failed to raise worker concerns regarding intimidation, forced overtime and denial of contractual benefits, but were allegedly complicit with management in repeatedly pressuring workers to sign “warning letters” which ultimately led to their dismissals. A worker at the factory stressed: *“WCC should be elected by the workers, but in fact, they [workers] are not allowed to choose the leader they wanted. The three persons elected are those who are on the employer’s side, so the workers are represented by the leaders they did not choose.”*

Union leader Khaing Zar Aung said in an interview in 2023: *“Even trade union members who are trained about labour laws cannot stop employers from violating worker rights, because there is no rule of law in Myanmar. So what [are] WCCs going to do for workers? We see that forced labour is increasing in many factories because WCCs sign agreements that workers will work overtime.”*



Brand responses

Companies' obligation to respond to allegations of human rights abuse is clear: the UNGPs outline the role of businesses when identifying actual or potential risks in their supply chain, requiring they "[integrate and act upon the findings, tracking responses, and communicating how impacts are addressed.](#)" **From March 2021 to February 2023, the Resource Centre sent a total of 259 response requests to 46 brands linked to the allegations recorded in the Tracker, to which 205 responses were received.** Concerningly, among the brands which did not respond to any allegations, most are linked to multiple cases of abuse (**American Holic, Creaciones Selene, Dunnes, GUESS, Justin Brands, La Senza, Mango, New Yorker and SKIMS**). Of the 80% of brands that did respond, the majority have human rights policies in place and a third of respondents highlighted examples of on-site factory inspections in response to allegations – examples of better practice. Nevertheless, it is clear from the responses that gaps remain.

In the context of heightened risks for garment workers in Myanmar, it is positive that **two-thirds (67%) of responses reaffirmed a policy commitment to human rights.** Policy statements shared by brands include a general acknowledgement of the human rights challenges in Myanmar, as well as a commitment to reject any business collusion with the military. However, many of these responses fail to outline how the specific allegation brought to the company was investigated and addressed.

Thirty percent of responses (64 out of 205) involved case-by-case investigation into the allegations raised. Encouragingly, investigations of abuse by [BESTSELLER](#), [KIABI](#), [Primark](#), [LLP S.A](#) and [Otto Group](#) were carried out through site visits, enabled by the presence of brand field offices in Myanmar. Without local staff, other brands such as [LLP S.A](#) highlighted the need to "*rely on information from our suppliers*" and third-party audits.

The use of such audits to respond to allegations was reflected in a fifth (21%) of responses, despite [overwhelming evidence](#) of the tools' shortcomings in identifying the most severe labour rights abuses. Indeed, where brands commissioned third-party audits, **nearly two-thirds found no violation despite workers and labour rights advocates saying otherwise**. This includes where audits were cited as the sole verification process in **OVS S.p.A's** [response](#) to a case of over 400 workers from [Honor Apparel factory](#) losing wages after the factory's temporary closure in 2021 and in [G&B Manufacturing Myanmar's](#) response to alleged unpaid wages and forced overtime.

In one particularly concerning case, **Fristads** [explained](#) it investigated an allegation raised in the [Myanmar Labour News](#) concerning excessive production targets, wage cuts and dismissal of workers at the [Fullway Myanmar Clothing factory](#) through an inspection by the Myanmar General Labour Laws Inspection Department – a government division under military control. The inspection unsurprisingly found *“none of the allegations made by the newspaper were proven to be true.”* Indeed, Tracker allegations include instances of employer coaching in advance of such visits, including a November 2022 case at [Lucky Garment factory](#) where workers reported factory supervisors asking the workforce to state *“everything was fine”* when visited by the labour inspectorate.

In total, only 17% of responses mentioned remediation mechanisms for workers. In the months following the military takeover, brands cited the use of the ACT Dispute Resolution Mechanism and direct engagement with trade unions such as the Industrial Workers Federation of Myanmar (IWFM) in their investigation and remediation processes. Responding to a case of 400 workers from the [Honour Apparel Garment factory](#) demanding payment as the factory closed down, **C&A** stated: *“All compensation terms were agreed through the ACT Dispute Resolution Mechanism by Worker representatives lead by the local trade union IWFM and with the support of an external mediator engaged through ACT secretariat.”*

However, after the dissolution of ACT in December 2021, brand responses referring to engagement with local unions rarely – if ever – refer to named unions, indicating the increasingly challenging environment for engagement with trade unions in Myanmar. On the whole, where remediation is mentioned it tends to be limited to financial compensation rather than remedy outcomes responsive to worker needs. In November 2021, 86 workers from [Mingalar Sumbiri Garment factory](#) (supplying **C&A** and **H&M**) were dismissed with reduced compensation. While **H&M** provided a general statement in response, **C&A** claimed the issue was resolved and workers compensated through a *“very easy discussion”*. But dismissed workers are more concerned about the prospect of finding new jobs than compensation. *“As workers, it is very painful as we are fired from our jobs. At this time, it is very difficult to find a new job in Myanmar. There is a family behind every factory worker.”*

Finally, in **9% of cases, brands' response to allegations were mere announcements they would cut ties with the factories where abuse had occurred**. This is a concern both in terms of the lack of remediation for victims of abuse and the livelihood implications for workers more generally when termination of contract is privileged over the development of sustainable buyer-supplier relationships when it comes to human rights.

From allegations to approach: How brands are undertaking due diligence in Myanmar

The growing number of human and labour rights abuses documented in the Tracker since the coup highlights the increasing complexity of undertaking robust human rights due diligence for brands sourcing from Myanmar. On that basis, the Resource Centre surveyed the 46 named brands linked to Tracker allegations and invited them to provide additional detail on their human rights due diligence approach beyond their responses to individual Tracker allegations. While 26 brands failed to respond, including **GUESS**, **Mango** and **Moschino**, 21 provided this additional detail. It should be noted that the Resource Centre's analysis of brands' responses does not assess whether heightened due diligence is currently possible in the country, but aims to highlight how companies have sought to navigate this complex environment.^{2,3}

Importantly, nearly all brands acknowledged the need for heightened due diligence in the increasingly high-risk context of Myanmar. Brands reflected a range of due diligence efforts, with level of oversight a key differential between responses. This includes maintaining smaller, more manageable supplier lists (**BESTSELLER** and **Next**) and the use of field offices (**BESTSELLER**, **C&A**, **H&M**, **Kappahl**, **KIABI**, **M&S**, **Otto Group**, **OVS SpA**, **Primark**, **Sioen** and **Topvalu**), indicating it is still possible to have a level of on-the-ground oversight in Myanmar. **Primark** has reported doubling its number of Yangon-based staff even after announcing its exit, and **BESTSELLER**, which has no current plans to exit, has also increased its number of field-based staff since the coup from three to 11. This stands in contrast with brands who indicated on-the-ground oversight was not possible. **Hunkermöller** described “*close contact*” with its suppliers since the coup while reporting no direct in-country inspections or visits since the Covid-19 pandemic. **Matalan** outlined difficulties accessing visas as a challenge to visiting the country, and **Fast Retailing**, which has announced its exit, cited safety concerns. **KIABI**'s only on-the-ground staff are two production engineers, and **Lidl** reported relying on local sourcing intermediaries and importers to organise its sourcing relationships and undertake on the ground supplier management and inspections.

² All 21 apparel brand survey responses can be read in full on the Resource Centre website.

³ For those brands which already concluded business in Myanmar (C&A, Marks & Spencer, Tesco, Kappahl), information provided on human rights due diligence referred to approaches taken during the time they sourced from Myanmar.

In general, responses also revealed key areas for improvement if brands are serious about identifying human rights risks and – more importantly – mitigating and remediating them:

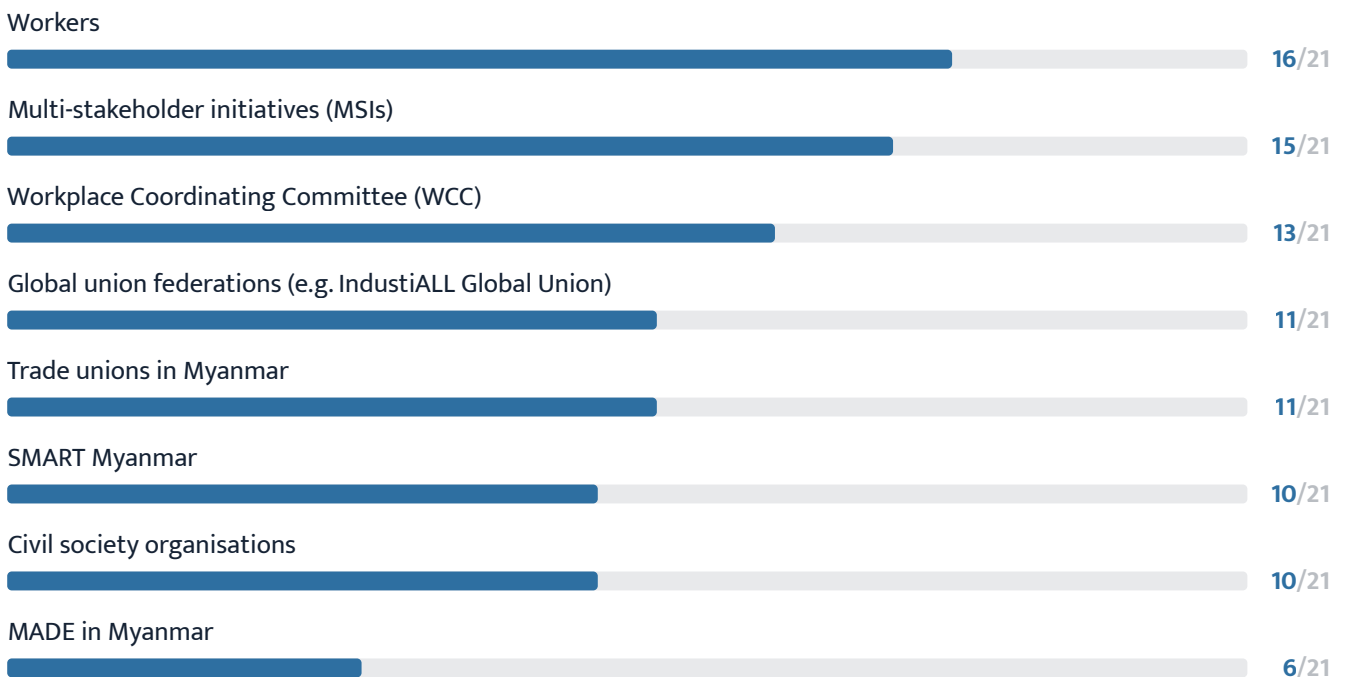
- ➔ **Stakeholder engagement**, including the types of stakeholders brands have engaged with in the due diligence process, how they approach worker voices, and the need to support and strengthen worker representation and labour rights movements.
- ➔ **Risk assessment**, including how brands are made aware of labour rights abuses, their process of investigating and assessing risks, and reliance on audits.
- ➔ **Grievance mechanisms and access to remedy**, including the limited channels through which workers can access grievance mechanisms and remedy, as well as the persistent challenges for workers to be remediated effectively.

What do these approaches mean for effective due diligence?

Stakeholder engagement

Engagement with workers is a key component of due diligence. Without dialogue between buyers and workers across supply chains, it is impossible to effectively identify, assess, mitigate and remediate human rights risk. This is especially the case in high-risk contexts such as Myanmar, where freedom of association is severely hindered.

SURVEY QUESTION: WHICH STAKEHOLDERS DO YOU ENGAGE IN YOUR DUE DILIGENCE PROCESS?



Brands were asked which stakeholders they engaged with in Myanmar, from workers and trade unions to civil society and multistakeholder initiatives (MSIs). Encouragingly, the majority reported engagement with workers, however this took various forms. Regarding one-to-one contact with workers, mechanisms included worker surveys in supplying factories in the country (**Lidl** and **Sioen**), interviews and dialogue with workers by field staff (**BESTSELLER** and **KAPPAHL**), on and off-site interviews with workers and trade unionists (**adidas**) and the use of worker voice technology (**adidas**, **H&M** and **OVS S.p.A**).

Information on how brands are engaging with trade unions was somewhat lacking, with brands which have announced their exit from the country generally providing more detail than those which remain committed to sourcing from Myanmar. Nonetheless, 11 brands (**adidas**, **BESTSELLER**, **C&A**, **H&M**, **Hunkermöller**, **Inditex**, **KIABI**, **M&S**, **Next**, **Primark** and **Tesco**) reported engagement with trade unions at a local level, with a further 11 brands (**adidas**, **BESTSELLER**, **C&A**, **Fast Retailing**, **H&M**, **Inditex**, **Next**, **Primark**, **Tendam**, **Tesco** and **Topvalu**) also reporting coordination with IndustriALL Global Union.

Brands provided more detailed information on non-union stakeholder engagement, including with initiatives and structures decried by many in the local and international trade union movement and their allies. For example, 13 brands (**adidas**, **BESTSELLER**, **C&A**, **H&M**, **Inditex**, **KIABI**, **Lidl**, **M&S**, **Next**, **Otto Group**, **OVS S.p.A**, **Primark** and **Sioen**) cited WCCs as stakeholders in their due diligence processes. When outlining how it undertakes due diligence in Myanmar, **Lidl** did not name trade unions as stakeholders, but rather that it “*seek[s] to establish a democratically elected WCC in all factories.*” A view of WCCs as just one of several worker representative structures in the workplace that do not pose a particular threat to genuine freedom of association is an emerging – and concerning – trend across brands. As outlined by **BESTSELLER**, “*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.*” This approach legitimises non-union structures which are frequently reported as co-opted by factory management and sanctioned by the military regime – while trade unions are under threat.

Eleven brands (**adidas**, **BESTSELLER**, **C&A**, **H&M**, **Hunkermöller**, **Inditex**, **KIABI**, **Lidl**, **Next**, **OVS S.p.A** and **Primark**) also cited their engagement with either SMART or MADE Myanmar, which have a [stated aim](#) to support the apparel sector, including with regard to responsible business. Brands highlighted the benefits of SMART Myanmar, including the initiative’s coordinating role, opportunities for collaboration and updates on labour issues and risk. That said, the Myanmar and international labour rights movements oppose the initiative, as outlined in an April 2023 [letter](#) signed by labour organisations including Myanmar Labour Alliance of trade unions, and in IndustriALL’s repeated [call](#) on the European Commission to suspend engagement with the project in July 2023.

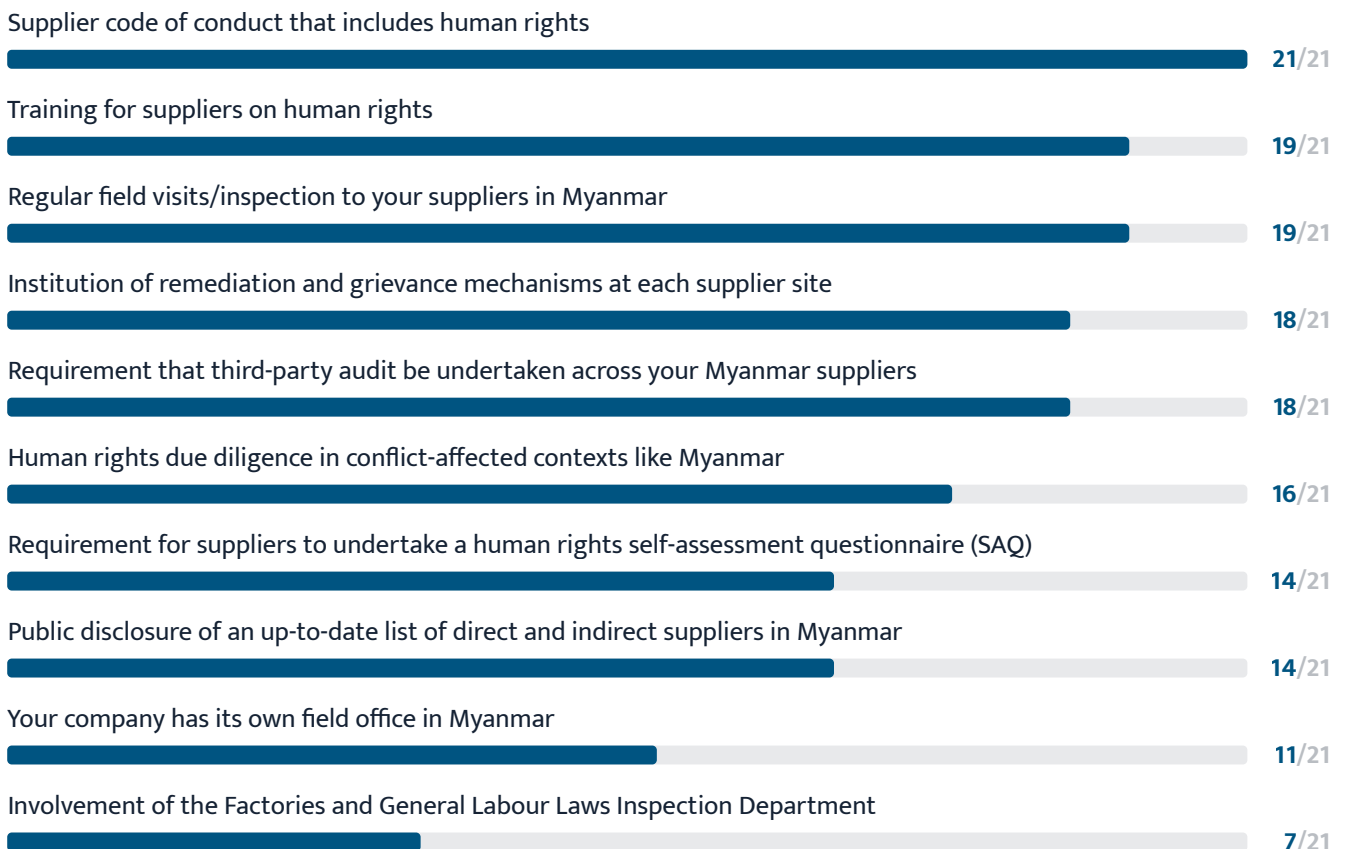
Brands’ interest in participating in cross-industry initiatives to support the navigation of such a complex sourcing environment is understandable and these may serve a valuable purpose. However, reliance on such initiatives at the expense of direct engagement with workers and unions – particularly given [rightsholder opposition](#) to the schemes – should be avoided.

Worker voice technology: An emerging trend

Survey responses highlighted brands’ use of emerging technological solutions to meet their due diligence obligations, from stakeholder engagement to grievance mechanisms. While outlining other forms of stakeholder engagement, **adidas**, **OVS S.p.A** and **H&M** all cited the use of the WOVO app, developed by [Labour Solutions](#) to “leverage technology to provide high quality well-being and communication tools to workers and managers in factories, farms, mines and other industries worldwide.” **adidas** highlighted its utility as a grievance mechanism, outlining that during the period between January 2021 and January 2022, 574 grievances were received via the app from workers in Myanmar, with 95% resolved and 69% of workers reporting satisfaction with issue resolution.

However, there are concerns regarding over-reliance on the technology and its efficiency in capturing high risk forms of abuse such as forced labour and gender-based violence and harassment. A [2019 study](#) found these tools should only be used in conjunction with other efforts to engage grassroots workers and should not siphon off or replace funding to support worker organising and genuine representative structures which go beyond communication. Concerningly, alongside evidence of supplier-military collusion, the Tracker includes allegations of workers arrested in apparel factories for posting anti-government statements on social media ([Sioen Myanmar Garment](#), supplying **Sioen**), implying a high-risk environment where fear and lack of trust between workers and their employers in relation to the use of technology is present.

HUMAN RIGHTS DUE DILIGENCE MECHANISMS REPORTED BY SURVEY RESPONDENTS



Identifying and assessing risk

According to the UNGPs, business enterprises should “*identify and assess any actual or potential adverse human rights impacts*” by drawing on internal or independent external human rights expertise and meaningfully engaging with affected groups and other relevant stakeholders. Among those which engaged in the survey, nearly all brands reported using existing grievance mechanisms to identify risks and human rights abuses in their supply chains in Myanmar, while 16 brands cited civil society and trade unions. WCCs and factory owners were reported by 12 brands as sources of information. Interviews with union leaders stressed the latter point, suggesting brands rarely consult workers about allegations. Instead, factory owners – most often the perpetrators of abuse - tend to be the first point of call when violations are reported.

“*When violations and labour disputes happened, brands would inform the factory managers first by phone, [and] sometimes send them a letter [saying] there will be inspection in the factory.*”

Union leader in Myanmar, interviewed in April 2023

All brands reported inspections and audits as an element of their due diligence models. All brands except three (**Next**, **Primark** and **C&A**) also reported the use of third-party audits. **Next** stated it does not accept third-party audits but rather visits all factories every eight weeks with its own team, and **Primark**’s own team undertakes audits, including in advance of new orders placed with suppliers and in addition to visiting suppliers every two weeks to undertake training and coaching on labour rights issues. Similarly, **C&A** stated: “*We did not rely on third-party factory audits but had our own specialists in place who audited and regularly visited (unannounced) the factories.*” Given around half the companies have field offices, multiple brands outlined their own visits and inspections in addition to external audits, including **BESTSELLER**, **H&M**, **Inditex**, **Kappahl**, **Lidl**, **M&S**, **Otto Group**, **OVS S.p.A**, **Primark** and **Topvalu**.

“*Whereas the third party audits are more of a formal compliance checkbox exercise, the real impact from our approach lies in our own monthly social and 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 and human rights improvements in the factories.*”

Survey response by BESTSELLER, April 2023

While responses to Tracker allegations, alongside a number of survey responses, indicate brands’ continued over-reliance on the audit model, recognition by some that outsourcing risk assessment to third-party organisations is insufficient due diligence in Myanmar represents progress. Interviewed workers were clear audits do not work and worker-driven social responsibility frameworks represent an important alternative. However, whether this can currently be undertaken in Myanmar, where organised labour is largely unable to operate, is questionable.

“ There are some factories where inspection and third-party audits are happening every month, but it’s very difficult to get the true answers from workers who are under the threat of their employer. Last year, in a factory in Hlegu, the factory owner hired two types of workers – ones with full-time contracts and ones with daily [verbal] contracts. The daily contracted workers did not get the same rights as the full-time workers. When there was an audit in that factory, all daily workers were told not to come to work.”

Union leader in Myanmar, interviewed in May 2023

“ If there is a complaint regarding child labour, they would hide all underage workers when the inspection happens. The inspector can still talk to workers but they [the workers] are already taught how to respond.”

Union leader in Myanmar, interviewed in April 2023

Grievance mechanisms

More positively, 19 out of 21 brands responding to the survey mentioned the institution of remediation and grievance mechanisms. This includes reporting websites (**Auchan**, **Inditex**, **KIABI**, **Lidl** and **Tendam**), hotlines (**C&A** and **Fast Retailing**), on-site posters (**adidas**, **Fast Retailing** and **Lidl**) and mobile apps (**adidas** and **H&M**). In addition, three brands (**C&A**, **Inditex** and **KIABI**) specifically mentioned the availability of these channels in the local language.

Nevertheless, there are implementation gaps. Overall, the surveyed brands heavily relied on technology to collect grievances, in some cases without considering issues of accessibility. [Lidl’s online reporting system](#), for instance, is available in 29 languages but not any of Myanmar’s languages. Five brands (**Auchan**, **C&A**, **KIABI**, **OVS S.p.A** and **Tendam**) reported relying on only one option of grievance communication while four brands (**Hunkemöller**, **M&S**, **Matalan** and **Tesco**) did not provide any further details of their grievance mechanisms in place.

Importantly, interviewed union leaders highlighted the need for greater stakeholder engagement to ensure meaningful access to remedy and how the shift from union to WCC representatives has weakened accountability.

“ The problem is that after the coup, the representatives of workers are no longer the real representatives, so workers lost most of the dispute cases that went through this mechanism [WCC].”

Union leader in Myanmar, interviewed in May 2023

“ I cannot think of any good examples of good remediation. There are many times when the case was closed and the workers got compensation, but what the workers really want is not compensation but to go back to work without discrimination. I cannot tell you how many cases are then considered successful. If we put more pressure on brands, they would say they would let their company managers know and solve the problem, then we would not hear from them again.”

Union leader in Myanmar, interviewed in April 2023

Responsible decision making: To stay or to go?

“ There is always a balance between trying to be a force for good for the people by offering jobs in a safe, respectful environment, and reflecting changing situations, hence we kept the situation under review for many months.”

Survey response by M&S, April 2023

The post-coup landscape has seen a multitude of brand reactions amid heightened calls from civil society and the trade union movement for brands to [take action to protect garment workers](#) and ensure they are not profiting from their repression. In a sourcing environment where meeting the requirements of heightened due diligence cannot be guaranteed, companies have had to evaluate – and indeed justify – whether to maintain a presence in the country.

Of the 21 brands responding to the Resource Centre’s survey, 14 reported that they continue sourcing from Myanmar (**adidas, Auchan, BESTSELLER, H&M, Hunkermöller, KIABI, Lidl, Matalan, Next, Otto Group, OVS S.p.A, Sioen, Tendam** and **Topvalu**). Four brands had already concluded business at the time of responding in April 2023 (**Tesco, Marks & Spencer, C&A** and **Kappahl**) and three have announced plans to exit (**Primark, Inditex** and **Fast Retailing**).

Remaining in Myanmar

The brands which confirmed their continued presence in the country highlighted the economic benefits of this decision for workers and their families.

Before the Covid-19 pandemic the sector employed approximately [700,000 people](#), primarily women, and supported the livelihoods of families across the country. While [average wages](#) in the sector were double that of agricultural workers prior to the Covid-19 pandemic, political instability has led to a sharp devaluation of the Myanmar Kyat (MMK) and reduced workers’ real wages. While there is limited data on current wages, multiple reports from the Tracker give an indication of wage rates, including one report from October 2022 suggesting workers in a [Yangon shoe factory](#) received an average daily wage of MMK4,800 (approximately US\$2.30).⁴ This rate matches the current and outdated minimum wage for the country, and is both the lowest rate in Southeast Asia and more generally is [failing to keep up](#) with the increasing cost of living in Myanmar. If reflective of the sector, these competitive wage rates suggest a clear incentive for buyers to continue doing business in Myanmar – at the expense of worker well-being. Responsible brand practice requires clearly stated wage policies, transparency around how their purchasing practices foster living wages, and due diligence to ensure workers receive a living wage in light of rampant inflation since the last minimum wage hike five years ago.

⁴ [Exchange rate recorded in OANDA](#) on 26 July 2023. However, according to trade union leaders, the in-country market exchange rate is US\$1 = MMK3,250, meaning that workers receive a daily minimum wage of around US\$ 1.47.

Alongside livelihood commitments, brands acknowledged the risk of sourcing from Myanmar in relation to employer-military collusion at factory level. They state the use of continued monitoring, due diligence and legal checks to minimise this risk. For **adidas**, the decision to stay is in part down to “*the lack of evidence of any connection to the military or military-linked businesses and no indication that the military regime profits from the garment and footwear sector in the country.*” Likewise, **BESTSELLER** states “*currently, our assessment is that our business in Myanmar does not contribute to the military.*”

However, as outlined by the ILO in its August 2022 [briefing](#) on the resiliency of trade unions and civil society organisations post-coup, workers and trade unions experience repression from the state not just on the streets but in the workplace. Intimidation of unions and civil society organisations by factory owners goes unchecked due to strong patronage networks between business and the military, “*meaning there is a sense of impunity among private sector actors who enjoy the backing of the de facto authorities.*” As outlined, allegations recorded in the Tracker display a trend of both employers and the military working together to intimidate and threaten workers and activists. Given all brands continuing to source from Myanmar stated they were closely and continually monitoring the situation in Myanmar, it is vital brands take such analysis into their decision-making.

Exiting Myanmar

As the labour and human rights environment continues to deteriorate, Myanmar labour unions both in the country and in exile have called for multinational companies operating in the country to divest rather than [indirectly support the military regime](#).

“*Brands know that there will never be a full protection of human rights as the military is holding the power. If they can't protect the worker rights, they should not continue operating in Myanmar. Due to the coup, the military got a lot of foreign money to buy weapons and kill people. After our country gets democracy back, we would like to invite brands to come back in again.*”

Union leader, interviewed in May 2023

For those brands which have left or plan to leave the country, the most cited rationale is their own assessment of the political situation in Myanmar. **Primark** credited the ETI’s “[Myanmar enhanced due diligence sectoral assessment](#)” report as catalysing its final decision, with **Inditex** citing its Global Framework Agreement (GFA) with IndustriALL and adherence to its negotiated [Framework Principles of a Brand's Responsible Business Disengagement from Myanmar](#).

Understanding responsible exit



Our survey also invited brands to reflect on their obligation to exit Myanmar responsibly. To this end, two brands highlighted the importance of continued on-the-ground presence. For **C&A**, this meant closing its office only after 10 months following the shipment of final orders, while **Primark** has doubled the number of in-country staff after announcing its exit. After final shipments in March 2023, **M&S** also stated it will continue to conduct due diligence in the country for a “suitable” period, alongside engaging stakeholders and checking workers have been paid any wages and compensation owing. **Inditex** highlighted support for suppliers post-exit announcement, including through awareness raising of the [Principles of the Framework for Responsible Disengagement](#). These responses support the importance of continuing engagement in the country after a company announces its exit or ships final orders.

Engagement with affected rightsholders is also vital. Regarding stakeholder consultation, three brands (**Fast Retailing, M&S** and **Primark**) reported consultation with WCCs, five brands (**C&A, Inditex, M&S, Primark** and **Tesco**) reported engagement with local unions, and five (**C&A, Fast Retailing, Inditex, Primark** and **Tesco**) with IndustriALL Global Union. Among seven brands which announced plans to divest or have already concluded business in Myanmar, only two (**Fast Retailing** and **Primark**) mentioned any engagement with workers in the decision and preparation of the exit.

[Responsible exit](#) means ensuring to the greatest extent possible that worker layoffs are limited, final wages are paid and any outstanding grievances are remedied. **C&A, Kappahl** and **M&S** stated that no jobs were lost as a result of their exits, but it is unclear how this was verified. **Fast Retailing** reported likely minimal impact, but admitted some loss of jobs may be “inevitable” in such circumstances, as did **Primark**, which could not guarantee jobs but did outline plans to work with factories and workers on the ground, “to ensure all adequate pay, severance and any benefits due are paid in a timely manner.”

Overall, however, the number of garment workers has decreased since the coup due to factory closures and business disruption, with ILO estimates putting job losses in the months following the coup at [220,000](#). If international buyers continue exit the country, the assurances of relative job security brands in this report are able to make will become increasingly difficult.

EXITING BRANDS: STEPS REPORTED TO MITIGATE IMPACTS OF EXIT ON WORKERS

| | | |
|--|--|-----|
| Maintain open lines communication with relevant supply chain partners |  | 7/7 |
| Seek evidence of payment of workers at the end of exit plans, including all severance and benefits payable |  | 4/7 |
| Require suppliers to report their plans for terminations in advance to review these in line with your Codes of Conduct |  | 3/7 |

Conclusion

At the time of publication, most brands linked to allegations in the Tracker continue to source from Myanmar, with survey responses from participating brands highlighting workers' livelihoods as the deciding factor in their decision to stay. A small but meaningful number of brands have already concluded business in Myanmar or announced their intention to exit, citing the impact of the military takeover or the relatively small role Myanmar played within their supply chain. All brands responding to the Resource Centre's survey acknowledged the need for heightened due diligence in the increasingly high-risk context of Myanmar, outlining myriad ways in which they have approached this challenge. Indeed, some brands were able to show how they were beginning to move beyond business-as-usual risk management by committing extra capacity and resources to their Myanmar supply chain in order to navigate their exit from the country or their commitment to remain.

But is this enough?

Data from the Tracker shows current measures are inadequate to prevent abuse from occurring and ensure access to remedy for workers. Two years post-coup, human rights violations continue to worsen. While most brands responding to the Resource Centre's survey mentioned worker engagement in their approach to human rights due diligence, far more attention was given by companies on work with alternative stakeholders, MSIs and other due diligence tools. While the environment for freedom of association in Myanmar is hostile, brands must not accept as the norm alternative worker communication structures while trade unionists continue to be targeted by the military regime.

Moreover, this report makes clear that brands continuing to source from Myanmar must take further measures to assess whether they can ensure the absence of employer-military collusion, that workers can earn living wages and that livelihood needs are met amid the daily economic and political challenges they face. Evidence increasingly indicates that the current operating environment makes such efforts nearly impossible and therefore responsible exit in such circumstances must follow.



Appendix: Full methodology

Sampling: Selection of fashion brands and retailers

This briefing explores current human rights due diligence approaches and practices by 46 named fashion brands that have sourced from Myanmar, especially after the military takeover in the country in February 2021. These fashion brands and retailers have been selected for several reasons. Since July 2022, the Business & Human Rights Resource Centre has been monitoring the significant increase in labour and human rights abuses of garment workers across Myanmar since the military takeover. Through collaboration with partners and allies inside and outside Myanmar, the Resource Centre created a tracker of allegations of garment worker abuse – the Myanmar Garment Worker Allegations Tracker. By March 2023, the Tracker had documented 212 cases of alleged labour and human rights abuse, revealing widespread and systemic abuse in international brands’ supply chains. Fifty fashion brands and retailers have been linked to these allegations as both current and former buyers.

APPAREL BRANDS LINKED TO TRACKER ALLEGATIONS

| Number of linked allegations ▼ | Response rate ▼ | Number of linked allegations ▼ | Response rate ▼ | | |
|--------------------------------|-----------------|--------------------------------|---|---|------|
| Inditex | 21 | 100% | Regatta | 3 | 100% |
| H&M Group | 20 | 100% | Tendam | 3 | 100% |
| Primark | 19 | 100% | American Holic | 2 | 0% |
| BESTSELLER | 17 | 100% | Carhartt | 2 | 100% |
| LPP S.A. | 12 | 92% | Dunnes | 2 | 0% |
| KIABI | 8 | 100% | Fast Retailing | 2 | 100% |
| C&A | 7 | 100% | Juicy Couture (part of Authentic Brands) | 2 | 0% |
| Mango | 7 | 0% | Koltov | 2 | 100% |
| OVS S.p.A | 7 | 100% | La Senza | 2 | 0% |
| Lidl | 6 | 100% | SKIMS | 2 | 0% |
| New Yorker | 6 | 0% | Tesco | 2 | 100% |
| Adidas | 5 | 100% | Calliope | 1 | 0% |
| Auchan | 5 | 100% | Fristads | 1 | 100% |
| GUESS | 5 | 0% | Gratex Industries | 1 | 0% |
| Next | 5 | 100% | Jennyfer | 1 | 0% |
| Pep&CO | 5 | 100% | Matalan | 1 | 0% |
| Sioen | 5 | 80% | Cordura | 1 | 0% |
| Creaciones Selene | 4 | 0% | Otto Group | 1 | 100% |
| Kappahl | 4 | 100% | Piazza Italia | 1 | 0% |
| Moschino | 4 | 100% | Shimamura | 1 | 0% |
| Hunkemöller | 3 | 100% | Terranova | 1 | 0% |
| JAKO | 3 | 100% | Topvalu | 1 | 100% |
| Justin Brands | 3 | 0% | | | |
| M&S | 3 | 100% | | | |

Data and methodology

This briefing utilises various types of data and sources.

- ➔ Data on allegations has been collected through the Resource Centre’s media monitoring activities which was composed into **Myanmar Garment Worker Allegation Tracker**.
- ➔ The primary data also came from a **survey with 46 fashion brands** and retailers that are linked to the Tracker. The survey collected information on brands’ operational strategies in Myanmar, either in the past (in cases where brands had already left the country) or present (in case brands have not yet left the country), with questions covering various aspects of human rights due diligence and responsible exit.
- ➔ As part of this study, **six in-depth interviews with union leaders** were conducted in order to provide additional insights into the current labour rights situation in Myanmar after the military takeover and how brands have responded to that. The selection of civil society stakeholders for the interview was done through purposive sampling in close consultation with Khaing Zar Aung, the treasurer of the Confederation of Trade Unions Myanmar (CTUM) and president of the Industrial Workers’ Federation of Myanmar (IWF). The interviews were conducted via a combination of Zoom and Signal with interpretation assistance from the Resource Centre’s consultant.
- ➔ Secondary sources were referred to, primarily to provide information on the current political, social and economic landscape in Myanmar and in the region; Myanmar’s dispute resolution system; and relevant business and human rights frameworks. These included academic research, media reports, government documents, grey literature, and operational dashboards from NGOs and international organisations.

Limitations and ethics

- ➔ **All the reported allegations in the Tracker were identified through the Resource Centre’s media monitoring and outreach activities, which may exclude allegations not being covered by the press.** However, data from the Tracker is still a clear indication of the current characteristics and trends of allegations in Myanmar’s garment industry.
- ➔ **Attempts have been made to verify allegations in the Tracker, including through the Company Response Mechanism (CRM) and worker interviews. However, this does not guarantee all allegations are proven facts.**
- ➔ **Given the unique business and human rights challenges in Myanmar, the survey responses from fashion brands and retailers do not necessarily represent their standard approaches and practices to human rights due diligence in other contexts.** Nonetheless, the findings from the survey can provide important insights into the current sectoral awareness and practices regarding human rights due diligence in Myanmar.

The methodological limitations of the report are mitigated by using desk-based research and interviews with union leaders and civil society stakeholders, serving as another information channel to validate the findings from the survey and Tracker. The increased risks facing human rights defenders and union leaders in Myanmar mean that the safety of both the interpreter and the interviewees are the ultimate priority of the Resource Centre. Informed consent and anonymity were communicated clearly with participants before, during and after the interviews. All information has also been carefully verified with participants prior to publishing.



Business & Human Rights Resource Centre

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Business & Human Rights Resource Centre is an international NGO which tracks the human rights impacts of over 10,000 companies in over 180 countries, making information available on our 10-language website.

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Khaing Zar Aung, treasurer of the Confederation of Trade Unions Myanmar (CTUM) and president of the Industrial Workers' Federation of Myanmar (IWFM), and five anonymised trade union leaders who participated in our research.