



ETI SWEDEN



2 March 2021

Response of EU and US garment, footwear, and accessories goods buyers to the crisis in Myanmar

On behalf of initiatives with international garment, footwear and accessories goods buyers as members, among others, we are profoundly concerned about the military coup that took place on 1 February 2021 in Myanmar, and the military's continued and increasingly violent crackdown against its own people, including against leaders of unions and labour-rights organizations. This coup, and the military's growing violence in support of it, threatens to reverse the progress and the thawing of relations between Myanmar and the international community ongoing since 2011.

We urge the military to respect the results of the November elections and we call for a quick and peaceful restoration of the legitimate civilian government. All those detained during this period must be released immediately. Internet service should be restored and the proposed legal restrictions on internet activity should be rejected as they are harmful to freedom of expression and assembly.

Garment, footwear, and accessories are three of the largest export sectors in Myanmar, accounting for one-third of Myanmar's total exports. Myanmar's exports of garments, footwear, and accessories have more than tripled since 2016 to \$5.8 billion. The sector is also a huge source of employment. The nearly 600 factories in the country employ approximately 500,000 workers. If democracy is not restored, the hard-fought social and economic progress of the country and the well-being of its people will be significantly put at risk. In addition, the rights of ethnic minority groups and women following the coup are at particular risk.

This coup creates uncertainty that has already begun to impact factory and cargo operations. Given the disruptions on the ground and the potential for further international sanctions, the coup may prompt a re-evaluation of Myanmar as a stable sourcing partner.

During this political crisis, companies sourcing from Myanmar must place special emphasis on the safety and economic security of workers. We therefore urge our member companies and all businesses sourcing from Myanmar to exercise enhanced due diligence and supply chain monitoring to ensure respect for workers' fundamental rights of opinion and expression, whatever they are, as well as freedom of association and peaceful assembly. Businesses should ensure workers' rights to peaceful protest are respected without discrimination or penalization and trade union representatives are not victimized or targeted.

We urge brands, and their suppliers, to immediately undertake enhanced human rights due diligence and responsible purchasing practices to identify whether they are doing business, directly or indirectly, with companies that are known to be owned or controlled by the military services of Myanmar, and take steps to sever these business ties, while making best efforts to protect workers that may be impacted. The US government has already imposed sanctions against military officials and entities, while the EU stands ready to adopt restrictive measures targeting those directly responsible for the military coup.

We furthermore urge all brands to engage proactively with suppliers in Myanmar and closely monitor the situation at all of their supplier factories. Companies should strive to honour all existing commitments made to factories (in terms of both payments and orders that are already in production), ensure workers are paid for the work they do, and extend lenient contract terms on delivery dates if needed, especially as production and export are likely to be negatively affected due to varying factors.

In addition, we urge suppliers to maintain an active dialogue with the elected worker representatives and trade unions in resolving differences and addressing the current crisis. Employers should refrain from imposing disciplinary actions against workers for their participation in the peaceful demonstrations or concerning any absences due to the current situation (such as the inability to access transportation from home to work).

Finally, we encourage the international community to come together to collaborate and encourage responsible action and support for the people of Myanmar.

American Apparel & Footwear Association
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ETI Sweden
Ethical Trading Initiative
Ethical Trade Norway
Fair Labor Association
Fair Wear Foundation
Initiative for Compliance and Sustainability
Social Accountability International