

Bestseller's response

4 June 2020

Business & Human Rights Resource Centre invited Bestseller to respond to the following items:

- “Zara’s Billionaire Owner Was Praised For Helping In The Coronavirus Crisis. Workers In Myanmar Paid The Price”, 14 May 2020, *BuzzFeed*
News: <https://www.buzzfeednews.com/article/nishitajha/coronavirus-zara-spain-inditex-myanmar>
- “Live-blog: How the Coronavirus affects garment workers in supply chains”, May 2020, Clean Clothes Campaign: <https://cleanclothes.org/news/2020/live-blog-on-how-the-coronavirus-influences-workers-in-supply-chains>

Bestseller sent the following response:

“For your background, BESTSELLER have been involved in the development of more stable industry relations in Myanmar over the past few years. We have had a focus on improving social dialogue in the industry, and through our membership of ACT and participation as a lead brand in the Myanmar Working Group, we have been actively working to support the development of guidelines for all parties on how to respect freedom of association and the best ways to navigate disagreements between workers and employers.

The guideline is developed in collaboration between ILO, ACT, Brands, IndustriAll, CTUM and IWFM. We encourage that the guideline is applied in all factories with a registered labour union affiliated to IWFM or any other union under CTUM (or a union under CTUM in process of registration). For factories with labour unions affiliated to other unions than IWFM or CTUM – or currently without union – we believe following this guideline can also help to bring effective social dialogue and dispute resolution between workers and management. The Freedom of Association Guideline can be found here <https://eur02.safelinks.protection.outlook.com/?url=https%3A%2F%2Factionlivingwages.com%2Fmyanmar%2F&data=02%7C01%7Cmorten.norlyk%40bestseller.com%7C0a55878ec7a74320def008d7f75820d3%7C98db9fb9f52b4e6383d9795ccd2dfcca%7C0%7C0%7C637249830193064045&sdata=HrtskqOyMT%2BBntGRqXSbJyHLJUTdkitu%2B0hSCcsBm9M%3D&reserved=0>

The application of the guideline in factories with unions organized under CTUM are part of BESTSELLER’s Freedom of Association requirements that are included in our Code of Conduct.

As mentioned, it is important that all parties take responsibility to develop a more stable industry in Myanmar for the sake of workers, especially during these difficult COVID times. We strongly recommend all employers and also organizations such as FGWN to follow the Guideline, and support further development of agreed dispute mechanism tools .

Ruining Garment Co.: Over the weeks following the events, we have done an investigation at Ruining in relation to the complaint made against the factory.

Evidence provided to us suggests that approval for the lay-off was issued by the local labour department, the lay-off list was public to all employees, and the compensation was paid out to the workers on the 8th May. Here we can see 259 out of 264 workers who had been at the factory for between 3 months and 1 year signed and received the compensation. 4 workers were unable to get to the factory on that day (due to the transportation limitations at that time), and 1 worker (the

union president who had also been at the factory less than a year) refused to accept the compensation.

The time records from May show that 6 union executive members remain in the factory, and we can also see that the majority of workers that remain at the factory have been there more than 1 year. In this case, and based on the evidence provided by the factory and discussions with the factory management and workers, as well as through contacting the local police station - we have not been able to find any evidence supporting the complaints made against the factory. We are also not able to find any evidence of the attack from the local police.

Our regional representative is willing to discuss the case with the complainant, and we will continue to follow operations at this factory closely, however, based on the evidence provided by the factory to us, we currently accept that the factory has followed correct procedures.

We encourage and support effective social dialogue between the factory management and workers, and will continue to work with other stakeholders in the region to create more clearly defined and adopted frameworks for FOA and dispute mechanisms to enable a more stable industry in Myanmar that will benefit the workers.”