

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: *Otto Group (Otto GmbH & Co KG)*
2. Your name: *Tobias Wollermann*
3. Your role: *CR Vice President Corporate Responsibility*
4. Your department: *Corporate Responsibility*

Part II: Operation history in Myanmar

5. When did your company start sourcing from Myanmar? *2014*
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?*

	Yes	No	Not sure
Human rights due diligence guideline in conflict-affected contexts like Myanmar	X		
Public disclosure of an up-to-date list of direct and indirect suppliers in Myanmar	X		

	Yes	No	Not sure
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.

- 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:

- *In Myanmar, our suppliers must pass regular social audits (amfori or SA8000) plus additional assessments & visits by our supply chain service provider and auditing company (non-Myanmar)*
- *We follow up closely on potential findings and corrective actions with focus on labor and Human Rights*
- *We conduct regular factory visits focussing on potential risks for workers and Human Rights; in addition, we have regular inspections by QCs (quality control) in the factories*

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

- 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:

- We request an annual audit e.g. amfori BSCI Audit
- We also conduct remote and physical on-the-ground assessments/ audits based on risks

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

- 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:

- Regular exchange and updates are key to stay informed about the ongoing changing situation and potential risks for workers.
- We exchange with other brands, business associations, our merchandising & quality control colleagues in Myanmar and regularly check external sources
- We reinforced our focus on worker interviews in audits/ assessments including available and functioning WCC during audits/ assessments/ factory visits

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

- 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:

- Our primary focus is on the safety and well-being of workers, and we are very sensitive to interviewing workers and including their voices during audits and assessments

- *We ensure to make them aware of the amfori complaint mechanism and the Otto Group's own grievance mechanism to raise complaints outside of direct interaction*

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:.....

13. When an allegation is raised, what is your standard procedure to address the issue?

Internal company complaint procedure:

- *The person submitting the information or complaint receives an acknowledgment of receipt*
- *The facts of the case are discussed confidentially with the informant or complainant - for example, questions of understanding can be clarified, or additional information can be obtained.*
- *Responsible compliance unit will check whether there are sufficient indications based on the information provided to justify the initial suspicion of a compliance violation*
- *The investigation or clarification measures required in the individual case are examined if initial suspicion is confirmed. These include, for example, the inspection of data and documents and the information/involvement of authorities. Depending on the results of the investigation or clarification measures, follow-up measures are derived to appropriately counter an identified violation or identified risk, e.g. through adjustments to processes, supplier discussions to develop a concept for ending or minimizing a violation, including a schedule (corrective action plan), or external supplier audits and/or the termination of business relationships.*

External complaints procedure / amfori:

- *Processing of complaints submitted via the amfori complaint mechanism will be carried out by amfori in cooperation with the companies concerned*

14. Please feel free to provide any further information on how you undertake human rights due diligence that you would like us to know.

- *Our main goal is to minimize negative impacts on workers, and we do everything we can to contribute to their safety*
- *We are fully aware of the complexity of the situation in Myanmar and do our best to continuously evaluate the risks based on developments and taking into account the different situations in the various regions and factories in Myanmar*
- *We recognize the high potential labor and Human Rights risks, as they have been evaluated in different assessments and reports*
- *We monitor all types of relevant external information and engage in sparring meetings, where possible. We also pay regular attention to adjustments in sanctions and declarations at national and EU level*

- *Situation can be re-assessed, and our approach adjusted at any time*
- *Nevertheless, we have currently decided to address the risks with enhanced due diligence measures in alignment with UN Guiding Principles and OECD Guidelines.*
- *On factory level we introduced additional measures:*
 - o *assess the factories onsite every 6-months, semi-announced and unannounced*
 - o *additional off-site interviews (worker interviews after working hours outside of the factory)*
 - o *training for local teams (merchandising, quality, translators) on Human Rights*
 - o *regular video conferences with local teams to stay sensitive and updated*
 - o *local media scanning with the goal of Indication of grievances*

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.
- *We have a CAHRA process to decide on sourcing from conflict affected and high-risk areas (including detailed country risk assessments)*
 - *This includes management board involvement and decision making including regular updates*
 - *We are in close and regular exchange with our business partners in Myanmar and have decided not to cancel any existing orders*
 - *Myanmar is a complex situation. We deal with the individual situation of our business partners responsibly. An abrupt and final termination of long-standing business relationships, which is ultimately to the detriment of the workers, does not correspond to our understanding of responsibility*
 - *In cases where we found situations that did not allow us to conduct business responsibly with enhanced due diligence, we disengaged responsibly. For other remaining suppliers we try to be a reliable partner*
 - *Through cooperations and memberships such as the Alliance for Sustainable Textiles or amfori, we work with other stakeholders to find industry-wide solutions*
 - *We continuously review developments in Myanmar to ensure that our purchasing decisions are made in accordance with the principles of Human Rights due diligence and in the context of our Statement of Principles on Respect for Human Rights.*

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)
17. Total number of workers being laid off in all suppliers (Anticipated if you are planning your exit)
18. How long in advance have you let your suppliers know about the exit before stopping your orders?
19. Which stakeholders do you engage in your decision and preparation of the exit? Please tick as many as apply.

- 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:.....

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.