



AAFA/WRAP Member Guidance on Myanmar (Burma)
Version 2.0, February 23, 2021

INTRODUCTION

The military coup in Myanmar (also known as Burma) that took place on January 31, 2021 is deeply concerning. In public statements, AAFA has urged the military to immediately restore democracy and immediately release all those detained. AAFA has publicly stated that the only path forward is the swift, peaceful, and full restoration of democracy.

We urge members sourcing from Myanmar to take steps to ensure worker rights are protected, including protection of union members, and to ensure full and on-time payment of workers during this uncertain time. Please consult not only with your suppliers but also with local and international civil society organizations when possible.

We will update this document as new information becomes available.

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GUIDANCE

We urge members sourcing from Myanmar to immediately:

- Communicate with their suppliers to:
 - Ensure workers are safe, including whether workers can safely travel to/from the factory by regular transportation;
 - Ensure on-time payment of January/February payments to workers, including their next payday; and
 - Assess production, including:
 - Is production still running? and
 - Are delivery times for finished goods and raw materials/fabric impacted?
- If requested, consider flexibility on delivery dates, particularly if suppliers must scale back production due to worker absenteeism due to issues related to the current situation, such as protests or strikes, or lack of transportation caused by protests or strikes.
- Members should honor all existing commitments made to factories.
- Grievance mechanisms, both internal and external, for workers should remain fully in place and operational, and members should follow up with their suppliers on worker grievances, as needed.
- Finally, members should ensure that workers are not penalized, discriminated against, or fired for choosing to participate in peaceful protests.

Further, members should immediately consider the following:

- The U.S. Treasury Department [already has sanctions in place](#) against various Myanmar military officials and related entities over the Rohingya situation.
- Further, President Biden has already imposed sanctions against certain military officials and entities because of the coup – [February 11, 2021](#) and [February 22, 2021](#).
- The current situation could lead to further sanctions against military officials and/or entities, not just in the United States but in Europe and in other countries.
- As such, we urge members to identify if they are buying any goods and services from companies that are linked to - or owned by - the military services of Myanmar, including:
 - Companies that fall under the corporate family of companies owned by the army, i.e. the Myanmar Economic Corporation (MEC) and the Union of Myanmar Economic Holdings (UMEH, also known as Myanmar Economic Holding Ltd. or MEHL) and
 - Certain factories connected to the military or military officials located in specific Special Economic Zones (SEZs), such as Dawei, Kyauk Phyu, Ngwe Pinlae Industrial Zone, Pyinmabin Industrial Zone, and Thilawa.

What to consider going forward:

- We strongly encourage all members to closely monitor the situation and follow developments on the ground.
- If conditions result in a decision by a member to withdraw sourcing from Myanmar, we urge companies to exit responsibly.
- Where possible, this should include completing pending orders and ensuring that all obligations (especially to workers) are fulfilled.
- At the very least, consideration ought to be giving to the following:
 - Do not “cut and run.” Instead, provide notice (preferably at least 6 months) and engage with the facility and all relevant stakeholders (including any unions active in the facility);
 - Consider the implications of asserting any unilateral exit clause(s) in a contract (especially the impact on workers);
 - Address raw material commitments already made by the factory in reliance on purchase orders issued (particularly if they were from nominated suppliers); and
 - Ensure full, timely, and proper payment of any monies owed (including to employees for work already done).