

BESTSELLER: Heightened due diligence in Myanmar

BESTSELLER has been sourcing from Myanmar since 2014, with their due diligence increasing year on year as the situation in the country has evolved. Following the coup in 2021, ETI published an independent assessment on human rights and responsible business conduct in the country, with recommendations for companies sourcing and operating in Myanmar. This case study looks at the steps BESTSELLER have taken prior to and in response to these recommendations.

Responsible sourcing

BESTSELLER's global supply chain includes over 350 suppliers and 700 factories in 18 countries. The company's due diligence processes are led by their global supply chain organisation and its responsible sourcing team. The processes are managed centrally by qualified industry experts on relevant risk areas and implemented by teams of Social & Labour and Environment & Chemical Specialists based in Bestseller's regional sourcing offices. Approximately 45 labour and human rights and environmental and chemical experts work full time to uphold their sourcing standards. These teams operate out of regional sourcing offices in China, India, Bangladesh, Pakistan, Türkiye, Myanmar, and Cambodia. These countries account for more than 90 percent of factories producing for BESTSELLER and more than 98 percent of garments sourced, at the time of writing.

In Myanmar, BESTSELLER consolidated its supply chain from 36 factories at the time of the coup, to 21 and fortified its local team up to 11 full-time colleagues based in Yangon.

Spotlight on Myanmar

Prior to the coup in 2021, BESTSELLER had already established heightened human rights due diligence (hHRDD) processes for Myanmar. Following the coup, the company significantly scaled up their hHRDD processes closely aligned with good practice frameworks, including the OECD Due Diligence Guidance for Responsible Supply Chains in Conflict-Affected and High-Risk Areas and the UN Guiding Principles on Business and Human Rights (UNGPs), and built upon feedback from OECD National Contact Point, as well as local stakeholders such as the Myanmar Center for Responsible Business (MCRB).

hHRDD in practice

BESTSELLER took a holistic approach to its increased due diligence. This included setting increased and corresponding requirements for sourcing teams, suppliers and their factories. These changes worked to ensure close relationships between stakeholders across BESTSELLER's supply chain, aimed at better protecting workers' rights.

Before the coup, BESTSELLER already required that suppliers and factories have no ties to the military, a policy that required verification by an independent law firm. Following the coup, the requirements increased. BESTSELLER established conditions for suppliers. For example, all suppliers operating in

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Myanmar were required to have a team in the country to ensure proper management of labour and human rights and cooperation with BESTSELLER's local team. Likewise, as a prerequisite to be approved for BESTSELLER production, each production site or factory was required to have a dedicated social and labour focused colleague on site. For a fuller understanding of the requirements placed on suppliers and factories, please see BESTSELLER's [hHRDD report on Myanmar](#).

Corresponding steps were taken to strengthen BESTSELLER's local team to ensure that it had the resources and skills to deliver hHRDD. For example, BESTSELLER added members of the team to ensure that factories could be visited and assessed on a monthly basis.

Following the publication of the ETI-commissioned independent assessment on human rights and responsible business conduct within Myanmar (the ETI report), BESTSELLER faced significant pressure to leave the country. The ETI report affirmed BESTSELLER's understanding of the nature and severity of human rights risks in the sector in Myanmar, and the importance of assessing a company's presence and sourcing relationship with the country. Following engagement with local stakeholders, workers representatives, local and international human rights experts, and MSIs, as well as BESTSELLER's team on the ground, the company elected to continue sourcing. In line with OECD guidance, and in response to the increased spotlight on Myanmar, BESTSELLER wanted to provide increased transparency on the salient human rights risks faced and hHRDD steps being taken in the country.

Increased transparency

Given the dynamic nature of the context in Myanmar, BESTSELLER has committed to publishing a bi-annual hHRDD report to demonstrate their understanding of and approach to managing the unique risks they were seeing in Myanmar. The development of this new hHRDD report is led by BESTSELLER's responsible sourcing team, which has the closest understanding of the evolving situation.

Key resources

BESTSELLER drew on a variety of key frameworks and guidance, including:

- [OECD guidelines](#) for mining companies operating in conflict-affected regions provided pragmatic guidance on the content and process for reporting.
- For a comprehensive reasoning and background on [frameworks to determine whether a country or region is conflict-affected](#).
- UNDP's guide on [hHRDD in conflict-affected contexts](#).
- [ETI's independent evidence-based assessment on human rights and responsible business conduct in Myanmar](#), conducted by Due Diligence Design.
- EuroCham [Myanmar's factsheet](#) on the garment sector.
- UNDP's report [Livelihoods Hanging by a Thread: A survey of garments workers and firms](#).

The report was developed through close collaboration between local teams and the responsible sourcing team. It was shared internally for review and, following approval from BESTSELLER's Myanmar Task Force, [published](#) on a [permanent page of their website](#) and proactively shared with stakeholders. The Myanmar Task Force is comprised of relevant specialists and senior leadership from responsible sourcing, sustainability, legal, communications and security departments.

“One key focus of the ETI’s report was on the primacy of stakeholder and rightsholder engagement to any due diligence, which lent us confidence that we were taking the right approach in our own due diligence. Prior to this report, and following it, we invested heavily in engaging with international and local rightsholders and stakeholders to ensure that their concerns were integrated into our policies and processes.”

CLAUS AABLING, LABOUR RIGHTS MANAGER, RESPONSIBLE SOURCING, BESTSELLER

Stakeholder engagement

As part of their human rights due diligence (HRDD) and efforts to engage with allegations of human rights violations related to their supply chain, BESTSELLER engaged with a range of stakeholders on Myanmar. This engagement has included listening to and working with multiple organisations with relevant links to, expertise on and operations in the country, including the [Business and Human Rights Resource Centre](#), [EuroCham Myanmar](#), Danish and EU representations in Myanmar, the United Nations Development Programme Multi-Stakeholder Alliance for Decent Employment in Myanmar ([MADE in Myanmar](#)), [Myanmar Centre for Responsible Business](#), Myanmar Industry Craft-Service Trade Unions Federation, [OECD Contact Point Denmark](#), and [IndustriALL](#).

BESTSELLER received increased scrutiny following the publication of ETI’s report, prompting them to double their efforts communicating on the hHRDD steps they were taking. This included how they structured their engagement with stakeholders and rightsholders and used it to assess the risks faced by workers and mitigate them through a hHRDD framework. When drafting the report, BESTSELLER worked to communicate this engagement while protecting the safety and security of all parties involved.

“The additional scrutiny we received further motivated us to double down in our communication of our heightened human rights due diligence, particularly on how engagement and dialogue with local stakeholders informed our assessment of unique risks faced by workers and was fundamental to the development of a robust enhanced due diligence framework to meet these challenges head-on.”

EMILY CASSWELL, REPORTING & TRANSPARENCY SPECIALIST, RESPONSIBLE SOURCING, BESTSELLER

Following the decision to continue sourcing from Myanmar, BESTSELLER’s primary goal was to maintain transparency on the risks workers face in their supply chain and articulate the steps taken to mitigate those risks. The company reflected on how their hHRDD efforts resulted in strengthened relationships with local stakeholders.

“We received valuable feedback on our first report from local stakeholders and rightsholders, which helped us improve both the content and accessibility of subsequent reports, such as the addition of a Burmese-language version. Additionally, having an accessible source of information on our actions, helped reduce the need for ad-hoc responses to stakeholder and journalistic inquiries.”

EMILY CASSWELL, REPORTING & TRANSPARENCY SPECIALIST, RESPONSIBLE SOURCING, BESTSELLER

A key barrier to their transparency efforts was the lack of established industry guidance on good practice for transparency on hHRDD, prompting practical challenges in determining the appropriate content and securing internal buy-in for this level of transparency.

Key lessons

Reflecting on their response to Myanmar, BESTSELLER shared the following key lessons:

- *‘Consistent transparency has reinforced our commitment to high human rights standards and provided a powerful tool for engagement with local suppliers and rightsholders.*
- *Our reports have elevated the public discourse around the complexities of exiting versus staying in Myanmar, helping external stakeholders better understand the nuances of our decision and the implications of heightened human rights due diligence.*
- *Leveraging local expertise has been critical. Our local sourcing office played a vital role in ensuring that our due diligence efforts were not only comprehensive but also responsive to the rapidly changing situation on the ground.’*

Next steps

BESTSELLER have committed to continue publishing regular reports reflecting the evolving risks in Myanmar, detailing mitigation efforts and any necessary remediation actions. Moving forward, the company plans as part of its hHRDD, to continuously assess the situation on the ground, maintain dialogue with stakeholders to maintain up to date analysis of the potential and actual human rights impact related to its supply chain.