

10th September 2021

Joint Statement of International Manufacturing Associations

We are a group of overseas investors from Korea, Japan, China and Hong Kong in the Garment & Apparel sector, operating manufacturing facilities in Myanmar. We are aware of the recent actions taken by Myanmar Trade Unions, urging international apparel brands to cease to place orders with Myanmar based manufacturers while calling on the international community to enforce comprehensive sanctions on to the country of Myanmar.

We are deeply concerned. Thus, we write to you in response to these recent actions and their proposal, as there are negative consequences beyond the intended results.

Below are the accusations made by the Myanmar Trade Unions against all manufacturers in Myanmar:

- Flagrant violation of workers' legal rights and the collective bargaining agreement.
- Taking advantage of chaos caused by the coup in widely dismissing permanent contracted workers and replacing them with daily wage workers.
- Failed to follow Covid safety measurements in factories due to countless workers having suffered and died from Covid.
- Collaborating with the Myanmar military in providing the names of union leaders who are deemed problematic, or oppose the military coup, with the intention to destroy the trade unions.
- Aiding and informing the military of the union leaders' whereabouts once at work in the factories so they are placed under mass arrest.

It is regretful that the Myanmar Trade Unions have made false accusations and claims regarding the legitimacy of our effort in having strictly followed the rules and guidelines of the Code of Conduct from Myanmar Trade Unions consistently. This will sow only dissent, misunderstanding and create working conditions that benefits no one. We do not wish to see the situation descend further, hence we would like to clarify our position:

Violating workers' legal rights and collective bargaining agreement

It is essential that operators comply with the international Code of Conduct, respecting Human Rights, strictly abide by local labor laws and to ensure workers' safety. These immovable rules must be met by all eligible factories, operating in all countries, including Myanmar. Having set up operations, all of us have been audited annually; A process arranged and conducted by internationally recognized third part auditing firms for transparency, which includes the attainment of a "Passed" grade in the rules-based Code of Conduct with its foundation steeped in a country's labor laws, thus giving the entire procedures and processes their legitimacy. This process was well conceived globally among all international brands and developed with the cooperation of partner factories along the entire supply chain, which has worked effectively and consistently for many, many years.

As mentioned, we are manufacturers from different parts of the world; Many of us are operating factories in more than one country. The consistency in having a well-run management system is synonymous to

operating successful factories. Therefore, it is ludicrous to suggest operations would create double standards in managing their operations and workforce, that would clearly violate the Code of Conduct in Myanmar. Nevertheless, we are prepared to answer to all inquiries and surveys to verify our legitimacy in practicing the Code of Conduct in our operations to clear any misunderstanding.

The Covid safety measurements across factories

To prevent breakouts of Covid-19 in Myanmar, we have been encouraging and pushing to speed up the vaccination process for all our workers. Throughout the pandemic, we have been following the guidelines and measures made by the previous government in managing Covid and we believe that we are not safe until everyone are safe. As we are closely tied with our local workers, we have set comprehensive factory-wide measures for everyone at our operations to follow. For example, we keep social distancing rules within the workplace, while providing face masks and sanitizer stations throughout the factory floors and offices, to ensure that personal hygiene is being practiced. Aside from the vaccination drive, we consider this to be the only way to aid, prevent and protect our local workers from getting Covid, while at the same time keeping factories' doors open, so workers may continue to work, to earn and to keep factories operating. It is our hope that all parties can view this as our commitment and contribution to overcome this pandemic through uncertain times.

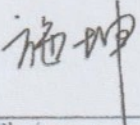
Our disagreement of International comprehensive sanction to Myanmar

We realize that dramatic political changes are taking place within Myanmar and we respect the different parties upholding their beliefs and viewpoints. However, we feel it is inappropriate for us to have strong political views in any country where we are guests. Rather, we possess a neutral point of view regarding politics, instead we wish to emphasis our belief in the country we chose to go, to invest in and in so doing, our contribution to the economy by creating jobs through our operations.

We hope the international community may place priority in the livelihoods of the local citizens and not only focus on the politics. As members of the manufacturing industries, being of labor-intensive processes, we as apparel-makers hire numerous workers for mass production, which has had a dramatic impact on the improvement in the lives of locals since Myanmar re-opened back in 2012. Hence we foresee the negative impact the comprehensive sanctions will have on the people of Myanmar, on businesses and on the entire supply chain. Many businesses will cease to operate, unemployment and poverty will spike dramatically. All this while Covid-19 is yet to be defeated; Not even in the developed world and certainly not in the developing world, where the disenfranchised will suffer the most. For the sake of humanity, we cannot afford to add more fuel to the fire.

We understand the Myanmar people have their aspirations and wish for political representation, for change, while the people suffer evermore due to the global economic downturn exacerbated further by the pandemic. It is important to throw caution to the wind. We see further escalation of any kind will only result in greater negative consequences upon the country, which will hurt the Myanmar people most. In closing, we urge all parties to stop and carefully reconsider before further action, whether suggesting that sanctions come swiftly and decisively towards the country of Myanmar will indeed result in short term gains, be it political, or for the well-being of its people and the businesses that operate there.

Yours faithfully,



Chairman

Chinese
Textile &
Garment
Association in
Myanmar



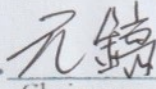
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