

Geneva, 15.09.2022

Helena Helmersson  
CEO  
H&M

## Calling on H&M to cease operations in Myanmar and immediately begin negotiations with IndustriALL on a responsible exit

Dear Helena Helmersson,

I am writing to you as the General Secretary of [IndustriALL Global Union](https://www.industriall-union.org), which represents more than 50 million workers in the mining, energy and manufacturing industries, including the textile, garment, leather and shoe sectors, throughout the world.

As you know, on 1<sup>st</sup> February 2021, a coup d'état by the military in Myanmar led to the detention of democratically elected leaders of National League for Democracy (NLD) Win Myint and Aung San Suu Kyi and many other political leaders, hours before the swearing-in ceremony of the new parliament and the formation of a new cabinet. The military junta has since carried out arrests, killings and other forms of violence against politicians, activists, ordinary civilians, and workers in Myanmar.

On October 20, 2021, I wrote to your company, urging it to divest from Myanmar as it is clearly impossible to perform due diligence in these circumstances. An independent report, commissioned by the Ethical Trading Initiative and released this week, confirms that there is no responsible way to conduct business in Myanmar.

The report highlights that the military regime perpetrates [crimes against humanity](#) and has a track record of human rights abuses, including forced labour, child labour, gender-based violence and war crimes. Within 14 days of the coup in February 2021, the regime changed the law to suspend human rights and track and detain dissidents.

Trade unions have been banned, and 301 union leaders have been arrested, 55 have been killed, and there are arrest warrants for 27 union executive committee members. In this context, it is not possible for global brands to perform due diligence. There is no freedom of association: trade unions and other workers' organizations cannot function, even at factory level.

Forced labour is widespread, including forced unpaid overtime which requires workers to travel home after curfew, putting them in danger. The situation is exacerbated by a rapidly expanding incidence of precarious work and collapsing wages, which leaves even those in

full time employment unable to meet their needs. The increasing number of workers hired on daily basis face a daily threat of dismissal.

There is no access to remedy, because the activities of the ILO and other UN agencies and international bodies have been severely curtailed. Many organizations, including the [ACT initiative](#), have ceased operating in Myanmar, and Western governments have restricted their activities.

In this environment of conflict, international brands have no leverage with the military regime.

There is widespread corruption, with workers having to bribe officials to get jobs, and factory owners bribing security forces to intervene in labour disputes and intimidate workers.

The military junta's growing intrusion into the economy, and entry into more sectors, means that it is impossible for the textile and garment sector to isolate itself from the rest of the economy. In particular, much of the transport and logistics infrastructure is controlled by the military, which also has decision-making power in finance, real estate, banking and utilities.

Brands that continue to source from Myanmar will be violating established international due diligence instruments and laws such as the German due diligence law and the EU law on forced labour, and may be breaching sanctions. The report warns that these brands will face reputational, financial and legal consequences.

We also note that the military regime has forced bank account holders to convert foreign currency to local currency, and ordered the suspension of payments in foreign loans to prevent currency outflows, creating an unreliable business environment. The resulting jump in the cost of fuel and basic food items is having a huge impact on operations in the sector.

The economy of Myanmar has contracted severely due to the military declaring war on its own people. Millions of people have lost their jobs due to the coup, with more than 400,000 civil servants refusing to work under the military regime, and hundreds of thousands having to hide in safe areas. It is crucially important to contribute to shortening the life of the dictatorship through a responsible exit from Myanmar. The exit of global brands from Myanmar will cause further job losses, and global brands need to negotiate a responsible exit from the country, including paying compensation to workers and supporting the Myanmar trade unions to coordinate such support.

As the global union representing the sector, we invite you to immediately to open negotiations on a responsible exit from the country.



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*President: Jörg Hofmann*  
*General Secretary: Atle Høie*

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We anticipate a swift response and action. Please respond to me by 30 September about your availability for a meeting in the weeks commencing 10 or 17 October.

Sincerely,

Atle Høie  
General Secretary  
IndustriALL Global Union