

COMPLY TO COMPETE

A Guideline for the Implementation of amfori BSCI Code of Conduct



An easy-to-use guide for improving social and labour standards in your company



Impressum

Published by:

Myanmar Garment Manufacturers Association, MGMA

No. 29, Min Ye Kyaw Swar Road

Lanmadaw Township, Yangon, Myanmar

Phone + 95 -1-2314829

www.myanmargarments.org

Supported by:

The Foreign Trade Association of German Retailers (AVE)

Am Weidendamm 1A

10117 Berlin, Germany

<https://www.ave-international.de/>

Written by: Luisa Hans, luisa.r.hans@gmail.com

Date of publication à © 2019

Photographs: Provided by SMART Myanmar

Printed by: Thukhawai Printing House, Yangon

Table of Content

Introduction	4
What is the amfori BSCI?.....	5
Why is Implementing Social Standards ab Business Opportunity for you?	5
Step 1: Identify Non-Compliance.....	6
Step 2: Strengthening knowledge and getting informed.....	7
The amfori BSCI Code of Conduct	7
Building capacities	8
Step 3: Appoint main Contact Persons.....	10
Step 4: Develop an Implementation Strategy and set Values	10
Step 6: Monitor all Processes.....	12
External Monitoring.....	12
Step 7: Keep Improving and Adjust	12
Set up a Grievances Mechanism	13
Important Documents and Links	14
Important Contacts.....	15
Auditors.....	15
Others.....	16

Introduction

International garment and textile buyers do more and more request their suppliers all over the world to comply with various requirements, especially in the field of social compliance. Clients increasingly demand their producing factories to install monitoring and social management systems in order to improve diverse issues concerning the environment and working conditions.

Since 2013 international companies increase their orders in Myanmar, which leads to a rapid growth of garment export numbers in recent years. In order to meet social standards, often required by buying companies as a condition for placing orders, this guideline for the implementation of the amfori BSCI system has been developed.

This guideline was developed on the basis of the amfori BSCI System Manual, the Easy Guide to amfori BSCI 2.0 and the Comply to Compete Social Standards Handbook by SMART. In addition to the evaluation of literature, interviews with various stakeholders in the working area were conducted. This guideline aims to be an easy guide for Myanmar garment and textile manufacturers in order to simplify the process of taking steps towards being amfori BSCI compliant.

This guideline supports your way towards complying to the amfori BSCI Code of Conduct...let the journey begin!



What is amfori BSCI?



The amfori Business Social Compliance Initiative (BSCI) is a leading supply chain management system committed to improve working conditions and social compliance issues within a company's global supply chains.

amfori BSCI's mission is based on three pillars:

- Monitoring **producers**
- Empowering **participants** and **producers**
- Engaging with **stakeholders**.

The amfori BSCI's head organization is called amfori. It is amfori's obligation to empower participants and producers and to engage with stakeholders. Today, amfori BSCI is one of the biggest initiatives for social compliance worldwide with nowadays 2,400 members worldwide.

Good to know

Producers can't become participants themselves, they must be nominated by a participant in order to be audited or involved according to amfori BSCI.

Participant according to amfori, refers to commercial units such as retailers or importers and exporters.

Stakeholder refers to people, communities or organizations that are affected by and may influence the products, businesses, markets, industries, and results of a business.

amfori BSCI was established to respond to private-sector demands and offers one common CoC and one single implementation system, that enables all companies sourcing all types of products from all over the world, to collectively address the complex labor issues of their supply chain and avoid legislative steps at European and national level. amfori BSCI increasingly focusses on capacity building and stakeholder dialogue to emphasize its development-oriented approach, aiming to lead its participants and producers to work towards solving social compliance issues.

Why is Implementing Social Standards a Business Opportunity for you?

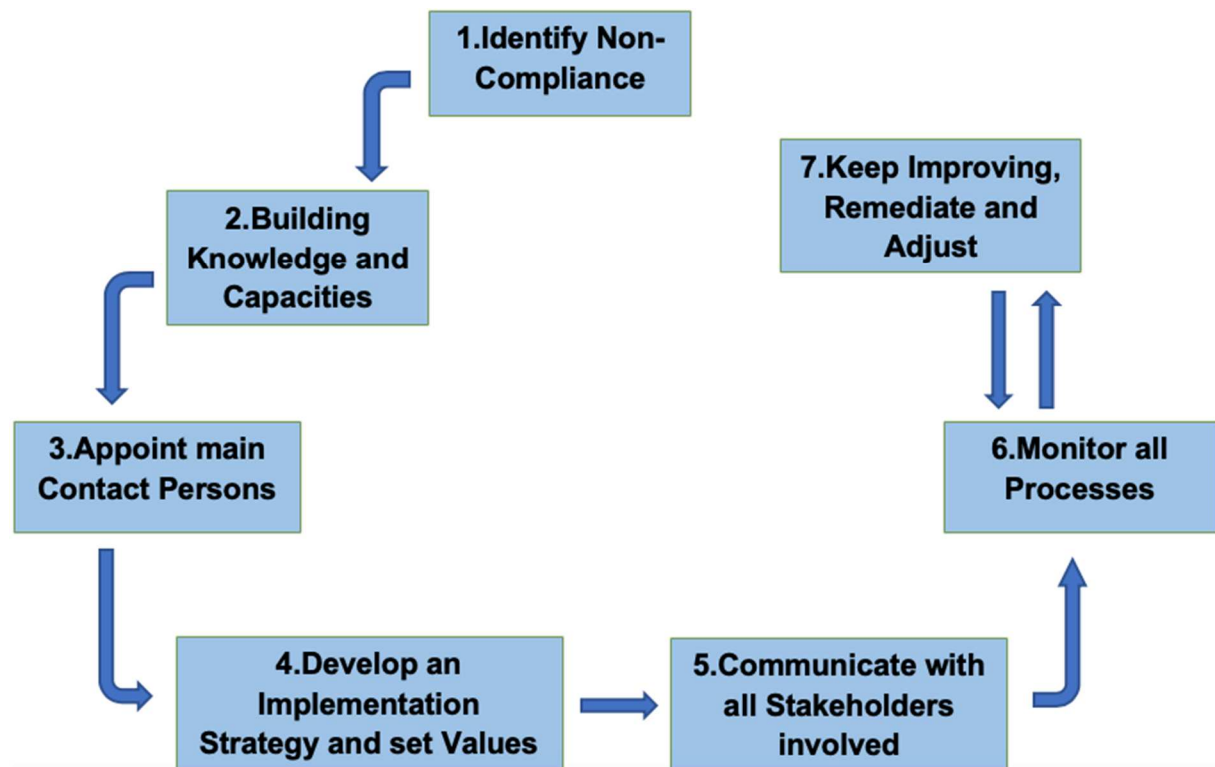
Today it is more important than ever, to have sustainable and responsible business practices. amfori BSCI has been developed by different businesses and has the purpose improve working conditions throughout global supply chains. The amfori BSCI is commonly used in many sectors and countries all over the world.

More and more consumers nowadays expect companies to develop processes and control mechanisms towards a better social management throughout the global supply chain. This is especially of high interest in higher-risk countries such as Bangladesh or Myanmar. As the amfori BSCI CoC is in line with most important international norms on human rights and labor laws, stakeholders' expectations can be managed effectively when using the amfori BSCI's CoC. Improving working conditions towards the norms set in the amfori BSCI CoC will increase your workers' contentment and fulfilment at work, which leads to higher loyalty towards the company they are working for. If worker satisfaction and loyalty is high, it will boost efficiency what will have an impact on long-term performance and higher customer satisfaction.

As amfori BSCI is an initiative for importing retailers and importers, what means that manufacturers themselves can't become members. Therefore, it is essential that you, as producing factory, attract international long-term buyers who will nominate you into the amfori BSCI system. In order to attract international buyers, it is more and more important to set up a business environment where social compliance plays an important role, as it will be a great competitive advantage.

The 7-Step Approach towards amfori BSCI

In the following chart you will find a 7-Step approach leading you through the process of getting compliant with standards in social compliance and working conditions. This will bring your factory competitive advantages and help you to achieve compliance with the amfori BSCI CoC.



Step 1: Identify Non-Compliance

Before starting to improve you need to identify your company's non-compliance with social standards. Therefore, it is helpful to use the self-assessment document for producers. For real improvement and a good implementation of social compliance standards you should fill in the document honestly and as good as you can. If you don't you will maybe miss important stakeholders or areas of compliance and therefore not be able to succeed.

Useful Links

Self-assessment for producers: [https:// www.amfori.org/resource/bsci-system-2015-self-assessment-producers-20](https://www.amfori.org/resource/bsci-system-2015-self-assessment-producers-20)

Step 2: Strengthening knowledge and getting informed



Good to know

You will find a list of all important documents with links at the end of this paper.

Familiarize yourself with all documents, important for the process of getting more social compliant. These are documents you have in your firm, such as workers contracts, buyer contracts and so on. Other documents, you need to get familiar with are provided by amfori BSCI. These are for example the CoC itself, the amfori BSCI System Manual, and others.

The amfori BSCI Code of Conduct

All amfori BSCI participants and their business partners along the whole supply chain need to commit to the amfori BSCI CoC with all its set values, principles and the implementation approach. The amfori BSCI CoC involves a set of values and principles build on the UN Guiding Principles on Business and Human Rights, the ILO Fundamental Conventions and other international standards. The following principles are covered in the amfori BSCI CoC:

amfori BSCI Principles



The Rights of Freedom of Association and Collective Bargaining

Our enterprise respects the right of workers to form unions or other kinds of workers' associations and to engage in collective bargaining.



Fair remuneration

Our enterprise respects the right of workers to receive fair remuneration.



Occupational health and safety

Our enterprise ensures a healthy and safe working environment, assessing risk and taking all necessary measures to eliminate or reduce it.



Special protection for young workers

Our enterprise provides special protection to any workers that are not yet adults.



No bonded labour

Our enterprise does not engage in any form of forced servitude, trafficked or non-voluntary labour.



Ethical business behaviour

Our enterprise does not tolerate any acts of corruption, extortion, embezzlement or bribery.



No discrimination

Our enterprise provides equal opportunities and does not discriminate against workers.



Decent working hours

Our enterprise observes the law regarding hours of work.



No child labour

Our enterprise does not hire any worker below the legal minimum age.



No precarious employment

Our enterprise hires workers on the basis of documented contracts according to the law.



Protection of the environment

Our enterprise takes the necessary measures to avoid environmental degradation.

It is very important for the successful implementation of the amfori BSCI CoC that it is integrated throughout all processes and people involved in your company. The effective integration needs active participation of all stakeholders involved in your daily business. Building awareness and capacities on the amfori BSCI CoC throughout all business practices and management levels as well as with your workers is essential in order to succeed improving your social compliance performance.

Building capacities

It is necessary that the amfori BSCI is cascaded throughout all levels of your company and all stakeholders involved. You need to communicate and develop necessary systems, procedures and competences to live up to the amfori BSCI CoC within your business culture. To successfully implement the amfori BSCI CoC and to build the right capacities, you should firstly identify skills and capacities needed.

Good to know

Cascading is a process, where information and knowledge is successfully passed on throughout an organization and along supply chain tiers.

Possible ways are:

- **Conduct a gap analysis!** Hereby you firstly identify missing knowledge and capability within your company's structure to then make a plan and find tools to address them in the best way.

Good to know

In a **gap analysis** you should identify abilities and knowledge missing in your company's structure, to then define steps needed in order to move your company towards your goals. **You can find a template of a gap analysis in the Annex of this paper.**

- **Make an action plan!** Action plans can simply be done by defining individuals that need training, areas of knowledge that should be trained, key indicators that show the progress of your training, a time frame and the goal of the trainings.

Good to know

An action plan is simply a plan defining all actions that need to be done in order to move your company toward your before in the gap analysis defined goals. To successfully implement the action plan, make sure you also define who needs to do what in order to move in the right direction.

- **Conduct a stakeholder analysis!** To successfully implement the amfori BSCI CoC on all levels and into all processes of your company you need to involve all people in your SME and business environment.

Good to know

In a **stakeholder analysis** you make a list of all people involved and analyze their needs. By doing that you can assess interests and address their expectations towards your company. Doing so will lead to higher stakeholder satisfaction.

- **Make workshops and trainings for your stakeholders involved!** It is important that you provide trainings and workshops on social compliance, workers' rights, workplace safety and so on for all stakeholders involved, most important your workers. Training them will raise awareness and motivation, what will again raise your long-term performance.

Good to know

Upon general needs identified and upon request from amfori BSCI participants, the amfori secretariat organizes workshops for producers, having the aim to understand the markets' expectations and to integrate long-term improvement. Once you are involved in the amfori BSCI process, you are eligible to participate in workshops at any time in the process.

Involve your Workers and all Stakeholders

For the successful implementation of the amfori BSCI CoC into your business culture and company, it is important to involve all workers and hear their voices as well. Your workers need to be trained on their rights and responsibilities as well as on the CoC itself. Rising awareness throughout your workforce will contribute to higher productivity, a better social development externally and internally and it will lead to a better quality of products as the workers' satisfaction is higher. Therefore, it is important to develop a training plan that includes training for the workers.

Action Box

Questions you should ask yourself before developing a training plan for your workers are:

- Is my workforce stable or do I have high turnover rates?
- Do I have many migrant workers?
- Do I have close relations to local and national unions to train my workers?
- Are my worker representatives freely elected by the whole workforce?
- Do I hire workers directly or do I subcontract?
- Do I have a person in charge of human resources?
- Do I have a person in charge of occupational health and safety?
- Do I have a functioning risk assessment and complaints mechanism?

Step 3: Appoint main Contact Persons

In order to guarantee a structured and successful implementation, you should appoint at least one main contact person within your company. This person or group will be responsible for all issues concerning social compliance and especially the amfori BSCI and its principles. These people will also be in charge of preparing and carrying out training with all workers, managers and stakeholders involved in your business.

Action Box

The persons to be appointed should be chosen regarding various requirements such as:

- How old is the person?
- How long has he/ she already been working in the factory?
- Does the person understand the national labor law?
- Did the person pass the matriculation exam (to ensure the candidate can read, write and calculate)?

It is important that the main contact persons get regular training on and from amfori BSCI in order to be fully capable and knowledgeable about how to implement, address and improve the social management system. The persons in charge of amfori BSCI need to be capable of doing trainings on management level and for workers throughout the whole factory.

Step 4: Develop an Implementation Strategy and set Values

amfori BSCI gives good guidance on what and how to implement the CoC but as every company is different, you need to make your own implementation strategy and plan on how to involve the amfori BSCI CoC as a policy in your factory. The following two steps should be done in order to implement a strategy and set values:

Good to know

amfori gives good guidance and help on what and how to implement the CoC. Useful documents here are the Terms of Implementation and the BSCI System Manual. **You can find a list of all these at the end of this paper.**

1. Commit to Improvement

To include the amfori BSCI CoC into your daily businesses, you need to ensure that departments work together hand in hand and that it is integrated into organizational culture and operations. The success of the implementation relies on taking your commitments seriously and to deepen the integration of the amfori BSCI CoC core values into your business culture.

Action Box

In order to successfully include the BSCI CoC into your daily business, you need to:

- Set short-, medium- and long-term goals
- Develop procedures to transfer the BSCI CoC
- Communicate and engage with all stakeholders involved in your daily businesses
- Integrate learning on a regular basis

2. Built upon set Values and Principles

All businesses involved in the amfori BSCI share the three core values of **empowerment, cooperation and continuous improvement**. These are especially important as they represent your businesses culture, strengthen your credibility, provide a basis for strengthening partnerships, help decision making and guide your workers in responsible daily business. You need to build upon your set values and principles that guide and help with all your choices and behavior between workers and partners within your company. To make sure internal processes are done in line with your values and principles, you need to make sure that all your workers and stakeholders know your values and principles.

Action Box

Here it can for example be helpful to make posters with all values and principles you decided on and hang them on walls in the factory. The same should be done with the amfori BSCI CoC. Therefore, you can use the poster template from amfori BSCI (link in the list below).

Step 5: Communicate with all stakeholders involved

For your business activities it is very important, that you practice effective communication of your amfori BSCI commitment towards all stakeholders. To do so, it is useful and important to write them all down and categorize them into external and internal stakeholder as you can see in the chart below.

Internal	External
Employees, including: <ul style="list-style-type: none"> • Top Management • Sourcing/ Buying departments • Local buying offices • Compliance/ Legal departments • CSR and communication department 	<ul style="list-style-type: none"> • Business Partners, including: suppliers, intermediaries, producers and workers • Local trade unions • Amfori Secretariat, amfori Representatives • Other amfori BSCI participants • Clients and consumers • Governments and other agencies • International and local NGOs

Special priority should be given to your internal communication where it is very important that you develop an internal communication plan including information about what to communicate and to whom. With this plan you can ensure to raise awareness on the topic throughout the whole company. External communication is useful to make a public commitment towards your social accountability. Communication with external stakeholders can be done through a website, Social Media or a monthly/ quarterly newsletter.

Good to know

To make an effective communication plan, it is important, to define the information you want to communicate. Then you need to define who you want to communicate to and through what channel. Additionally, you should also set a timeframe and define when communication will be done.

Step 6: Monitor all Processes

The monitoring of your amfori BSCI commitment should be done internally, within your company and externally, in your companies' environment and surrounding. In order to make sure your monitoring is successful, you should develop a monitoring plan. This plan should include information about the time frame you want to set, persons that need to be involved, processes to be monitored and goals to be achieved. Monitoring is a continuous process that needs to be evaluated in set intervals. By monitoring the implementation of the amfori BSCI CoC you can oversee all business practices and it helps you to get an overview of how things are going in your company.



Good to know

It is important to develop a **monitoring plan**, in order to have constant feedback and overview of what is going on in your company. It gives you early warning to possible problems and evaluates the extent to which the implementation will be achieved. This way it is possible to improve quickly and solve problems before they become serious problems.

For internal monitoring, you should appoint someone working in the company to be the person in charge of monitoring. This person should check on the company's social compliance and the performance of your business partners on a regular basis either monthly, quarterly or yearly. The person in charge of monitoring should be in close exchange with the appointed person in charge of all issues concerning the amfori BSCI.

External Monitoring

Besides the internal monitoring an independent, external audit of your performance should be done by auditing companies accredited by amfori. Independent amfori BSCI audits are conducted in order to evaluate a company's activities and cover a factory's social management system and all 13 performance areas as defined in the CoC. Audits at producing companies need to be initiated by an amfori BSCI participant sourcing from there. For your company that means that you should be prepared as good as possible so that international buyers will start sourcing from you and then nominate you to the amfori BSCI system. This guideline prepares you until the final step of being prepared for an external monitoring through an auditing company.



Good to know

Audits are not offered by amfori BSCI directly, as producers need to be nominated by an amfori BSCI participant. Detailed information about the process of an amfori BSCI audit can be found on the auditors website and especially in the amfori BSCI System Manual as listed in the Annex.

Step 7: Keep Improving and Adjust

To successfully implement the amfori BSCI CoC throughout your whole company, supply chain and business culture, it is important to keep improving on all levels and in a continuous matter. Improving your company towards social responsibility is a long process and it requires

endurance, but it will pay off when it comes to competitive advantages on the international market. To keep improving you should:

- **Consistently identify and analyze root causes!** This is needed to close gaps within your goals set in the implementation strategy.

Good to know

Analyzing root causes can easily be done with the gap analysis and the action plan you developed earlier in Step 2.

- **Ensure responsible relationship management!** Make sure you manage your stakeholder relationships responsibly in order to make sure you positively influence changes towards social compliance throughout your whole supply chain.

Good to know

Good **stakeholder management** has the aim to keep a company's good name and be good towards its environment. Good stakeholder management should handle all concerns properly, clarify mis-understandings and establish trust with all stakeholders involved.

- **Develop additional processes for further improvement!** To ensure further improvement of your due diligence and to be in line with all amfori BSCI requirements you need to develop further e.g. towards standards as the SA8000.

Useful Links

The SA8000 standard is a leading social certification standard for factories and organizations worldwide and was founded as a multi-stakeholder initiative. For more information visit: <http://www.sa-intl.org>

Set up a Grievances Mechanism

A grievances mechanism represents an additional towards acting diligently and is a non-judicial procedure which offers systemized ways through which individuals or groups can raise concerns. A good grievances mechanism should be effective, legitimate, accessible for all, dialogue-based, transparent, rights-compatible and should lead to continuous learning throughout the whole company. There are many different grievances mechanisms. You should first inform yourself carefully in order to be able to set up a good working mechanism.

Good to know

Benefits of grievances mechanisms are:

- It raises your workers' awareness about their rights and obligations.
- It strengthens your relationship with your workforce as well as the confidence to manage the enterprise successfully and further relate to the workforce.
- It is an additional easy and for all stakeholders (internal and external) usable communication channel.

An easy and good working mechanism could be a post box, where your workers can leave their ideas and complaints. Once a week, the person in charge of complaints can open the box to then discuss all matters at a meeting with all managers, the persons in charge of social compliance and the workers representatives. Nevertheless, this cannot be the only mechanism but there must be further tools working all together towards a good working grievances mechanism.

Useful Links

Here you can find further and detailed information about grievances mechanisms and how to set them up successfully:

- <https://www.amfori.org/sites/default/files/BSCI%20MANUAL%202.0%20EN%20Annex%204%20How%20to%20set%20up%20a%20Grievance%20Mechanism.pdf>
- <https://www.amfori.org/sites/default/files/amfori%20External%20Grievance%20Mechanism%20policy-.pdf>

Important Documents and Links

- Information Kit on BSCI 2.0 for Producers: https://www.amfori.org/sites/default/files/final_infokit_bsci_producers.pdf
- BSCI CoC Poster Version: <https://www.amfori.org/sites/default/files/Amfori%20BSCI-CoC%20Poster-ENG.pdf>
- amfori BSCI Code of Conduct: <https://www.amfori.org/sites/default/files/amfori%20BSCI%20COC%20UK.pdf>
- BSCI System Manual: https://www.amfori.org/sites/default/files/amfori%20BSCI%20System%20Manual_ENG.pdf
- Easy Guide to amfori BSCI 2.0: <https://www.amfori.org/sites/default/files/amfori-2018-01-05-BSCI%20Easy%20Guide-A4-January%202018-Def-02-WEB.PDF>
- Terms of Implementation for Producers: https://www.amfori.org/sites/default/files/Terms%20of%20Implementation%20for%20Business%20PartnersProducers_UK.pdf
- amfori BSCI Academy: <https://www.amfori.org/content/login-learn-and-thrive-join-amfori-academy>
- Information Kit for Producers: <https://www.amfori.org/resource/bsci-20-information-kit-producers-english>
- Documents in Myanmar language: <https://www.amfori.org/audience/participants>
- Information about Grievances Mechanisms: <https://www.amfori.org/sites/default/files/BSCI%20MANUAL%202.0%20EN%20Annex%204%20How%20to%20set%20up%20a%20Grievance%20Mechanism.pdf> and <https://www.amfori.org/sites/default/files/amfori%20External%20Grievance%20Mechanism%20policy-.pdf>

Important Contacts

Auditors

	Room 402, Pengdu Building, Unit A Nanguang Rd., Nanshan 5511400 Shenzhen	+86 (21) 6288-4616 wsun@cn.algi.net +420 605 033 098 vvrzal@algi.net	https://www.algi.net/compliance-certification-and-assessments/
	2410 Sukhumvit Road, Bangkok Phrahanong 10206 Bangkok	+66 2017 0662 supaluck.jaikhong@th.bureauveritas.com	https://www.bureauveritas.de/68ae1b1f-942a-46d1-a4f6-3c1f7ba46d0d/BV_CPS_ServiceSheet_BSCI_Vers02_Jan18_EN.pdf?MOD=AJPERES&ContentCache=NONE
	1 st Floor E. Town; EW Building 364 Cong Hoa Street, Ward 13, Tan Binh District, NA Ho Chi Minh City	+84 8 6297 1099 hanh.tran@intertek.com	http://www.intertek.com/auditing/bsci/
	100 Nanglinchee Road, Chongnonsee Yannawa, 10120 Bangkok	+66 2 678 18131767 Potjana.Keechanda@sgs.com	https://www.sgs.com/en/sustainability/social-sustainability/audit-certification-and-verification/social-responsibility-audits/amfori-bsci
	16th Floor, TCIF Tower 1858/ 75-76 Moo 10, Bangna-Trad Rd., 10260 Bangkok	+66 2 7514 050-0 thailand@tuv-nord.com	https://www.tuev-nord.de/fileadmin/Content/TUEV_NORD_DE/pdf/BS-CI-SA8000-GB.pdf
	Guangdong, N0.199 Kezhu Road, Guangzhou Science City, 510663 Guangzhou	+86 20 2839 1271 Susan.Zhang@tuv.com	https://www.tuvsud.com/en/services/auditing-and-system-certification/business-social-compliance-initiative
	16/F-17/F, Tower B, Regent Centre 63 Wo Yi Hop Road, Kwai Chung, New Territories, Hong Kong Unit 1605, 16 th Floor, Mapletree Business Center, Nguyen Van Linh Street, Tan Phong Ward, District 7, N/A Ho Chi Minh City	+85 2 3175 2818 Beth.H.Mo@ul.com Rhea.Radam@ul.com +84862564423	https://services.ul.com/service/social-responsibility-and-accountability-auditing/

Others

- Contact information to local networks can be found here:
<https://www.amfori.org/content/local-networks>
- Myanmar Garment Manufacturers Association
No. 29, Min Ye Kyaw Swar Road
Lanmadaw Township, Yangon, Myanmar
Phone + 95 -1-2314829
www.myanmargarments.org

**Let's get started for better competitive advantages
that will improve your social performance!**

