



# ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)



EVENT REPORT  
BY:

JUNAID MAKDA,  
Dy. Chief Coordinator, & Executive Director,  
PHMA

Pakistan Hosiery Manufacturers & Exporters Association (PHMA) holds the privilege and eminence among GIZ and other international entities involved in economic and cooperation. In view of effective collaboration in past, PHMA was approached to play its role in the Advisory Committee of Asia which comprise of Bangladesh, Cambodia, China, Myanmar and Pakistan.

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EXECUTIVE DIRECTOR PHMA

## **INVITATION FOR GIZ ASIA (SLSG – Social and Labour Standards in the Textile and Garment Sector in Asia)**

Recognizing importance of cooperation and collaboration and aiming at facilitating regional knowledge exchange, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in cooperation with the Myanmar Garment Manufacturers Association (MGMA), organized a Roundtable in Yangon, inviting the Associations from Pakistan, Bangladesh, Cambodia, China and Myanmar, scheduled from 23-24 May 2017.

Sustainability in production, based on compliance with social, labour, and environmental standards, has become a core element of modern manufacturing. In order to meet requirements and demands from international buyers and consumers and to maintain its global competitiveness, the Southeast Asian and South Asian textile and garment sector must work together towards ensuring compliance with social, labour and environmental standards.

**GIZ extended invitation to Mr Irfan Z Bawany, Central Chairman, Pakistan Hosiery Manufacturers & Exporters Association (PHMA)** to participate in the subject event. Due to previous engagement of both Mr Irfan Z Bawany, Central Chairman and Mr Mohammad Riaz Ahmed, Zonal Chairman, it was decided to nominate Mr Junaid Makda, Member Executive Committee and Deputy Chief Coordinator to represent PHMA in the said event.

### **Objectives of Round Table**

The Round Table pursues three objectives:

- To provide an opportunity to discuss sustainability initiatives and good practices,
- To share experiences on innovative approaches tackling sustainability challenges, and
- To develop solutions on implementing and upgrading standards in the region.

## Focus of Round Table

The focus of Round Table was on regional good practices from members of the producing associations in Bangladesh, Cambodia, China, Myanmar and Pakistan and how they can be adapted on the factory level. Sharing good practices is an excellent way to tackle challenges in the textile and garment industry in Asia. It aims at enabling mutual learning and inspiring enterprises to proactively address challenges in textile and garment production. Further, it would present the region as a reliable partner in garments production and contribute to a “re-branding” of the sector.

## ADVISORY COMMITTEE MEETING

Focus of the Advisory Committee Meeting was to further develop the information sharing platform and setting up a concrete timeline and milestones including setting the priorities on contents and functions of the platform until the launch in October 2017. As well there will be strategies discussed on how to disseminate good practices on the national level.

## THE PLACE, VENUE & EVENT YANGON, MYANMAR

CHATRIUM HOTEL  
ROYAL LAKE, YANGON

ROUNDTABLE ON:  
23RD MAY, 2017  
ADVISORY COUNCIL MEETING:  
24TH MAY 2017



## GOOD PRACTICE FRAMEWORK

The Good Practice Framework is designed to collect good practices from your respective factories from participating countries and to be presented at upcoming Round Table and Advisory Committee meeting. SLSG and the members of the Advisory Committee on Sustainable Production in the Asian Garment Sector believe that sharing good practices is an excellent way to jointly tackle challenges in the textile and garment industry in Asia and to:

- contribute to a “re-branding” of the sector – in order to strengthen the image of “Made in Asia” and present the region as a reliable partner in garments production
- actively contribute to stop race-to-the-bottom dynamics
- inspire factory owners, management and workers being proactive in addressing the challenges of social and labour standards
- enable mutual learning and initiate a momentum for motivation for compliance with social and labour standards

Good practices should display innovative approaches to solve sustainability challenges on the factory level and they must fall under one of the following categories:

1. Occupational Health and Safety (OHS)
2. Building and fire safety
3. Supporting/ promoting female workers and inclusion
4. Environmental protection through sustainable chemical management or resource efficiency (water, electricity)
5. Social dialogue between management and workers

Each Association can share maximum 3 good practices and the best one from each, will be presented at the Advisory Committee meeting on 24th May 2017.

### PHMA SHARED THREE GOOD PRACTICES

1. Safety, Security, Health, Environment & Social Compliance (Building and fire safety) by J.B. Industries
2. Occupational Health and Safety (OHS) by Adeel International
3. Environmental protection through sustainable chemical management or resource efficiency (water, electricity) by Combined Fabrics.

### PHMA APPROVED GOOD PRACTICE AND FACTSHEET

#### Made in Asia | Good practices on the way to a sustainable textile and garment sector

#### Emergency action committee to prevent and fight fires | Building and Fire Safety

##### M/S. J.B. Industries

##### The Challenge

In the textile industry, there is a special risk of fires. Almost all materials being used are flammable. Fires are often caused by negligence and in particular by bad housekeeping. The real concern in cases of fire is how to evacuate the employees and how to fight the fire. In 2012, Pakistan gained sad notoriety by the fire at Ali Enterprises and their difficulties to evacuate the employees. Since then, international buyers are even more attentive with regard to building and fire safety in Pakistan. JB Industries aimed at initiating a program to prevent fires, evacuate the employees and fight fires when they occur.

##### The Initiative

In 2006 JB Industries introduced an **Emergency Action Committee** to improve health and safety of its workers as well as the efficiency of emergency actions. The committee is responsible for preventing fires, fighting fires and train staff on how to evacuate in cases of emergencies. To ensure the capacity of the Emergency Action Committee in decision making and ability to act, the heads of departments and the owner actively participate in the monthly meetings and support the decisions.

To **prevent fires**, the Emergency Action Committee assessed fire risks within the factory, observes them regularly and rectifies hazards instantly, always searching for permanent solutions. Every identified risk and every action taken has to be reported. The fire risks at JB industries are related to electrical equipment and the electrification system. Both are observed by the department under surveillance of an electrician. A further source of danger, combustible dust, is removed by a heavy duty suction machine and monitored regularly on a weekly basis.

In **case of a fire**, the employees have to be evacuated and the fire has to be fought. The evacuation plan is regularly reviewed by the Emergency Action Committee, escape routes and emergency exits are secured. Every new employee gets an introduction into the evacuation plan. Monthly fire drills are conducted to ensure smooth evacuation in cases of emergencies. Furthermore, JB Industries started to train its employees on how to fight and extinguish fires. JB Industries purchased its own fire engine and emergency water tank to fight fires. It has two fully equipped fire cabinets and the fire fighters of JB industries can rely on 36 fire hydrants and 96 fire extinguishers.

##### The Benefit

An outbreak of fire causes a serious threat on the health or even life's of the employees, it destroys machines and property. The Emergency Action Committee prevents fires before they arise. Fire protection is in the self-interests of the owners and it also improves trust between buyers and suppliers. The fire risk management helps JB industries to maintain good relations to the brands. Buyers want to assure that their suppliers comply with national regulations and international standards to reduce their reputational risks and to make sure that they can meet the lead times. An effective fire risk management gives such assurance.

## THE ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENT SECTOR IN ASIA

### Joining forces for a strong and sustainable garment production in Asia

The globalization of the textile and garment sector goes hand in hand with great economic success. It's foremost the cheap and fast production capacities of Asian countries making the boom of the fashion industry possible, providing jobs for millions of people. However, expansion and success are accompanied by major challenges regarding working conditions and the environment.

The globally agreed Sustainable Development Goals (SDGs) are setting the framework for producers and workers, for buyers and consumers and for political players alike: *Ensure sustainable production and consumption patterns* (Goal 12). While most stakeholders in South and South East Asia still focus on national agendas, the ongoing globalization of the textile and garment supply chains demands expanding the horizon and sharing responsibilities. Bringing together producers and governments, buyers and investors, worker representatives and NGOs is necessary to better understand the mechanisms of the industry and to shape its future towards sustainability and long term growth.

To strengthen exchange and cooperation among relevant actors of the Asian textile and garment industries, the GIZ programme *Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG)* has initiated the **Round Table on Sustainable Production in the Textile and Garment Sector in Asia**. It brings together stakeholders from the Asian industry, public sectors and from the buyers' side and is organized in cooperation with the producing associations in Bangladesh, China, Cambodia, Myanmar and Pakistan, taking place in one of these countries.

The Round Table provides an opportunity to discuss opportunities and challenges on the way towards sustainability, to share experiences and to learn from innovative initiatives tackling sustainability issues in the different producing countries. The Round Table stands for joining forces for a strong and sustainable textile and garment production in Asia.

### INAUGURATION OF ROUNDTABLE – MYANMAR (23<sup>RD</sup> MAY 2017)

The roundtable was inaugurated by Mr Than Myint, Minister of Commerce, Republic of the Union of Myanmar who also gave his welcome speech and gave an overview about Myanmar's economy and exports. Mr Myint Soe, Chairman of Myanmar Garment Manufacturers Association (MGMA) in his key notes highlighted the potential of Textile and Garment sector of Myanmar.

In the session: **Creating a sustainable industry – Myanmar Garments sector**, Ms Daw Khine New, General Secretary of MGMA gave presentation on situation of Garment industry. Representatives Myanmar Ministry of Industry and Ministry of Labour also participated in the panel discussion. Ms Petra Schill, Country Director GIZ, Myanmar apprised about the role of GIZ.

### GOOD PRACTICES FROM FIVE PRODUCER COUNTRIES & IMPORTANCE OF GOOD PRACTICES AS A VEHICLE OF SHARING KNOWLEDGE

In this important session goods practices were introduced and discussed from five pilot countries on the topics of occupational health and safety, building and fire safety, promoting female workers, environmental protection and worker-management dialogue.

- **BANGLADESH** – Bangladesh Garment Manufacturers & Exporters Association (BGMEA)
- **CHINA** – China National Textile and Apparel Council (CNTAC)
- **CAMBODIA** – Garment Manufacturers Association in Cambodia (GMAC)
- **MYANMAR** – Myanmar Garment Manufacturers Association (MGMA)
- **PAKISTAN** – Pakistan Hosiery Manufacturers & Exporters Association (PHMA)



**PARTICIPATION AND SPEECH OF MR JUNAID MAKDA, DY. CHIEF COORDINATOR PHMA**



Mr Junaid Makda, Dy. Chief Coordinator, PHMA on behalf of Association presented best wishes and compliments to the Organizers of Roundtable to provide an opportunity to Regional Countries representatives to exchange views on garments manufacturing and relevant matters. He articulated that such initiatives were imperative to explore new horizons of commercial and economic cooperation for the global business development and prosperity. He expressed solidarity and high regards to the representatives of international and regional business community gathered on the occasion.

Mr Makda apprised that Pakistan Hosiery Manufacturers & Exporters Association is the premier trade organization representing the

hosiery and knitwear industry of Pakistan, accelerating and providing growth in all sectors of the economy, generating immense employment and promoting national self-reliance. PHMA aims to promote, develop, protect, stimulate and encourage the hosiery, knitwear and all made-ups, fabrics, home textile products of cotton, wool, silk or man-made fibers and to raise the standard of their production and enhance exports, among other aims & objectives.

He highlighted that the hosiery and knitwear industrial network of Pakistan comprises 3,500 large, medium and small units, 85% of which are small enterprises, 10% medium ventures and only 5% large integrated factories. The industry provides jobs to 700,000 people in an environment dominated by redundancies and downsizing in giant multinationals, foreign banks and big corporations. The industry sustains directly, livelihood of 210,000 skilled workers and their families; 490,000 unskilled workers and their kith & kin. Another 350,000 people benefit in allied cottage industries. Thus the industry provides directly and indirectly sustenance to well over a million people.

He felt pride to mention here that all the exports of all the knitted products is 28% of the textile exports. This places knitwear industry of Pakistan in the list of top foreign exchange earning sectors. The PHMA has also been given due representation on every important Advisory Board of the Government, where PHMA nominates senior and prominent businessmen/ industrialists, with extensive experience and deep insight in specific fields.

He told that working with GIZ was not new, especially for him because during my tenure as Vice President and Chairman of International Affairs Committee of Karachi Chamber of Commerce & Industry, KCCI and GIZ embarked upon a project to promote SMEs. He also liaised with Federation of Indian Small & Medium Enterprises (FISME) backed by GIZ in India.

He emphasized that PHMA is also running its own institute the name of Institute of Knitwear and Technology. We are also planning to construct and large purpose-built campus to upgrade this institute to College and University. PHMA Institute of Knitwear Technology was established in May 2002 (this being first of its kind in the country). The basic objective of this initiative was to develop human resources to meet the requirements of the industry, and to keep PHMA members abreast with changing technological and economic environment.

He focused that to globally facilitate PHMA members in the European and US Market, Association established its U.S.A Office to showcase their products in the US market and also provide a liaison and marketing office to act as a bridge between the buyer and seller in USA, liaise and coordinate between buyer and seller and facilitate in each of the Operational steps. Since, Pakistan got GSP Plus in European Union, efforts are also underway in PHMA to establish another office in Europe.

He emphasized that PHMA accords high importance to technical and vocational educational training, certification course and refresher courses to enhance knowledge and skills of our human resource. In this connection, PHMA had established a Technical support cell to provide sustainable, reliable and affordable services related to their energy, environment, and organizational aspects. PHMA's Technical support cell supported by highly trained and professional staff provides regular trainings designed in view of requirements in the industry.

Mr Makda underscored that investment in Human Capital is a key business decision which enables the maximization of returns through sustained growth. Keeping this in view, PHMA been actively involved in developing and delivering in-house trainings customized to meet Industry requirements. These trainings are effective solutions to improve major performance indicators; productivity, quality, competitiveness, sustainability and knowledge management of industries for easier and faster path to ISO compliance and WTO requirements.



The results include improvements in export potential, human resource development, managerial capacity and potential of industries.

PHMA's Institute regularly conducts training courses for: Fire Prevention and Safety, Energy Audit, Lean Sigma Green Belt, Training on Financial Audits, OHSAS, QMS, EMS, ISO 14001, understanding Labour Laws, NEBOSH, IOSH, Supply Chain Management, Taxation and Customs Related Matters, Production Planning and Control etc.

Concluding his keynotes, Mr Makda stated that since inception of PHMA, Association was playing an important role to promote the national economy through enhancement of exports. PHMA had clear objectives to increase the exports, more opportunities of investment, capital inflow and expansion in the national and international trade. Subsequently, PHMA wants to work closely in collaborate with Counterparts from China, Cambodia, Myanmar and Bangladesh supported by GIZ Asia. He was optimistic that with the effective cooperation of Regional Cooperation would become more friendly and cordial and to achieve the desired aims. He concluded his keynotes with asserting upon the need collective efforts and collaboration.



## Group photo of the participants of Round Table & Advisory Committee on Sustainable Production in the Textile and Garment Sector (Myanmar 23-24 May, 2017)





## PICTORIAL HIGHLIGHTS



Mr Junaid Makda presenting memento to Mr Gundolf Klæhn, Head of SLSC, GIZ China



Mr Junaid Makda presenting memento to Ms Mirjam Marquard, Advisor, GIZ, SLSC Regional Component

**ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA  
AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)**



Mr Junaid Makda presenting memento to Ms Suskia Widenhorn, Head of SLSG, GIZ Myanmar



Mr Junaid Makda presenting memento to Ms Tingting Chen, Project Cooredinator SLG China, GIZ

### **PHMA PRESENTATION ON GOOD PRACTICE FROM PAKISTAN (BUILDING, FIRE & SAFETY)**

One of the three good practice of our valued PHMA member M/s. J.B. Industries was selected for discussion and presentation in the Roundtable. Mr Junaid Makda in presentation highlighted that the Association also closely liaise with the Karachi Metropolitan Fire Brigade Department in respect to control of fire incidents and to mitigate chances of outbreak of fire. He emphasized that PHMA has also played its role to bring reforms in the Karachi Fire Brigade department but also motivate the large industries establish their own firefighting system. On such example is of J.B. Industries which elaborated to the gathering.

Mr Makda also stressed upon the importance of Safety, Security, Health and Environment which is crucial for conformance and compliance of international agreements. In his presentation he accentuated that a state of the art, fire prevention and fighting system is highly important to be established in the industries covering: Firefighting equipment's, smoke and fire alarms, sprinklers, water hydrant and tanks, emergency evacuation plans and trained staff to handle any emergency situation. Good practice of J.B. Industries being published by GIZ is enclosed in this report.

### **ADVISORY COMMITTEE MEETING (24<sup>TH</sup> MAY 2017)**

The Advisory Committee on Sustainable Production in the Textile & Garment Sector in Asia, scheduled on 24<sup>th</sup> May 2017, started with opening remarks by Mr Gundolf Klaehn, GIZ Head of SLSG in China, who gave a review of Roundtable held on 23<sup>rd</sup> May 2017. Advisory Committee discussed to enhance cooperation and collaboration between Country Association of Advisory Committee, information sharing and way forward.

### **OFFICIAL JOINING OF PAKISTAN TO THE ADVISORY COMMITTEE**

The Advisory Committee lauded the role of PHMA in promoting the textile sector and exports and recognized Pakistan as an important player in the Asia. The Advisory Committee announced official joining of Pakistan to the Advisory Committee and anticipated regular participation of PHMA in the forthcoming Advisory Committee Meetings.

### **NOTE OF GRATITUDE FROM PHMA - PAKISTAN**

Mr Junaid Makda addressed the Advisory Committee and gave a synopsis about the textile and garment sector of Pakistan and its great existing potential. He also identified areas of cooperation and collaboration of Pakistan with regional countries in Asia. He also recalled presentation on good practices of industries in Karachi in respect to Fire, Health, Safety, Security and Environment which was admired and appreciated at large and published for circulation to participating countries for dissemination to industries to learn from good practices of industries in Pakistan. On behalf of PHMA and our beloved country Pakistan, he expressed his cordial gratitude to the Organizers and National Associations of friendly regional countries for recognizing Pakistan as leading player and also recognizing PHMA being the most vibrant Association of Pakistan and officially taking PHMA from Pakistan onboard in the Advisory Committee. He on behalf of PHMA assured best possible cooperation and support.

### **ROUNDTABLE & ADVISORY COMMITTEE HIGHLIGHTS & FACT SHEET ON ROUNDTABLE/ MYANMAR**

Producing textiles and garments has a longstanding tradition in Myanmar. With the country recently having opened up to exports and foreign investments and a boosting economy, a new and vital player has entered the scene of textile and garment producing countries in Asia. Myanmar has the chance to implement sustainability standards as part of its sector development strategy right from the beginning. In its efforts to add sustainability to growth Myanmar can learn from the experiences and success factors of its fellow competitors.

"I believe that this round table discussion will provide an efficient way to comply with sustainability standards, and inspire decision makers in the sector," said U Aung Soe, Director General, Myanmar Trade Promotion Organization (MYANTRADE), Ministry of Commerce of the Republic of the Union of Myanmar, in his opening speech

Inspiring decision makers is not an easy task. When it comes to sustainability, the discussion is often about costs and prices. Dr Katharina Spieß, Counsellor, Head of Development Cooperation, Embassy of the Federal Republic of



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Germany, emphasized that “there is a clear business case for sustainability: increasingly consumers are questioning under which conditions their clothes are being made. In addition, there is a trend that brands have the legal obligation to report publicly about the impact of their business operations all along their supply chains.

In Bangladesh, where the textile and garment industry has been growing for decades, factory owners have experienced over time that compliance with sustainability standards is a question of survival. It might be possible to make some quick money without being compliant, but it's a flash in the pan. Investing in sustainability is investing in the future. The industry in Myanmar has learned from their powerful neighbours and included sustainability right away in their growth strategy. To implement and enforce sustainability is now the task lying ahead. U Myint Soe, Chairman, Myanmar Garment Manufacturers Association (MGMA) said: “Today's event will support better regional relations in the area of textile and garment production towards sustainable practices. We welcome this exchange and appreciate to learn from our regional colleagues.”

In the afternoon of the Round Table, factories from five countries presented their innovative approaches to tackle sustainability issues. The participants learned about environmental protection through hazardous waste management from China or about social dialogue committees from Cambodia. The factory from Bangladesh presented how to improve workers' health through a health care facility and Pakistan presented a fire prevention programme.

The good practice from Myanmar was about the enterprise Lat War, who introduced a training school for unskilled workers from rural areas. They aimed at increasing workers' skills and prevent workers from factory hopping. “I am really interested in learning about the training school, since I have myself huge problems with worker turnover rates in my factories”, stated one of the fellow producers at the break-out session. The participants of the Round Table lived what was said by Daw Khine Khine Nwe, Secretary General of MGMA: “We are learning very quickly!”



### **ABOUT SLSG – Social and Labour Standards in the Textile and Garments Sector in Asia**

The project Social and Labour Standards in the Textile and Garment Sector in Asia (SLSG) is working in Bangladesh, Cambodia, Myanmar and Pakistan and together with China, supporting the efforts of private and state actors to improve sustainability standards in the textile and garment sector.

In cooperation with factory managers and workers, the project is fostering knowledge and implementation of sustainable standards in the factories. Furthermore, the project supports state institutions to implement measures promoting sustainability standards. To meet the challenges posed by an ongoing globalization of the industry, the project initiates networks with stakeholders from Asian garment producing countries and links them to international brands. Thus, it participates actively in the development of the sector throughout Asia, facilitating knowledge sharing and cooperation towards a sustainable garment and textile industry.



## CONTACT



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M/S. JB Industries is producing knitwear. 550 employees work for the factory.

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## Made in Asia

Good practices on the way to a sustainable  
textile and garment sector

Emergency action committee  
to prevent and fight fires



**SLSG** Social and Labour Standards  
in the Textile and Garment  
Sector in Asia

### THE CHALLENGE

In the textile industry, there is a special risk of fires. Almost all materials being used are flammable. Fires are often caused by negligence and in particular by bad housekeeping. The real concern in cases of fire is how to evacuate the employees and how to fight the fire. In 2012, Pakistan gained sad notoriety by the fire at Ali Enterprises and their difficulties to evacuate the employees.

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### THE INITIATIVE

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### THE BENEFIT

An outbreak of fire causes a serious threat on the health or even life's of the employees, it destroys machines and property. The Emergency Action Committee prevents fires before they arise. Fire protection is in the self-interests of the owners and it also improves trust between buyers and suppliers.

The fire risk management helps JB Industries to maintain good relations to the brands. Buyers want to assure that their suppliers comply with national regulations and international standards to reduce their reputational risks and to make sure that they can meet the lead times. An effective fire risk management gives such assurance.



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Dewhirst Cambodia Co. Ltd is producing jackets, trousers and waistcoats. 2,300 workers work for the factory.

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As at  
May 2017



កិច្ចសហប្រតិបត្តិការ  
អាល្លឺម៉ង់  
DEUTSCHE ZUSAMMENARBEIT

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Garment Manufacturers Association in Cambodia

## Made in Asia

Good practices on the way to a sustainable  
textile and garment sector

Social dialogue committees to find  
mutually beneficial solutions



**SLSG** Social and Labour Standards  
in the Textile and Garment  
Sector in Asia



## ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)

### THE CHALLENGE

As workers are the affected parties in cases of noncompliance with social and labour standards, using workers feedback and resolving these issues may be key to improve working conditions and employee satisfaction while ensuring compliance with the relevant standards.

In Cambodia, every enterprise of a certain size is required to have workers' representatives, who are the spokesmen for workers' grievances. Workers can file complaints and grievances regarding their working conditions by speaking to the so-called Shop Stewards. The Shop Stewards present the grievances to the employer.

The Cambodian Labour Law specifies the grievance channels, but not how to manage and resolve these complaints. But the latter is the linchpin to achieve real improvements for the factory workers and to ensure compliance. To manage resources efficiently and use the full potential of the Shop Steward system, Dewhirst Cambodia thought of ways to manage complaints and grievances most effectively.

Dewhirst Cambodia formed so-called Social Dialogue Committees consisting of Shop Stewards and the factory management. The Social Dialogue Committee is a platform where worker representatives and the management discuss issues which are forwarded by the workers and find mutually beneficial solutions to resolve workers' complaints.



### THE INITIATIVE

As of its foundation in 2011, Dewhirst Cambodia implemented a Social Dialogue Committee. Currently, it consists of 28 members with three or four people from the management (sometimes including the general manager) and worker representatives including Shop Stewards or unions or both of them. The Dewhirst Cambodia is required by law to have 23 Shop Stewards. The committee meets at least twice a month, in urgent cases more often.

Every two years a new Committee is formed. The worker representatives are elected by the workforce, the representatives of the management are chosen by the general manager. The worker representatives are receiving complaints from the workers. In the committee these issues are raised and possible solutions are discussed. The relevant department will introduce a corrective action plan to solve the problem. The committee reviews the implementation of the plan by the relevant department.

*"The social dialogue gives us the chance to raise our concern to the management, and the management takes action very fast. The factory management really takes care of us!"*

Ms. Ken Sinat, Trouser trainer and a member of the workers' committee

### THE BENEFIT

First of all, the Social Dialogue Committee realizes real improvements for the workers. The committee discussed for example the issue of heat in the factory or the issue of connection of the toilets to the production site. The management came up with the following solutions:

- A roof was installed to connect the production buildings to the toilets.
- Additional fans and cooling systems were installed to reduce the heat in the production site.

Furthermore, the Social Dialogue Committee improves the situation for the management. Through the platform for exchange between management and the workers, trust and commitment of the workers towards management and the company are gained. By finding solutions to workers' grievance, the workers feel heard and recognized. As a result, management perceives improved employee satisfaction which results in a better retention rate and higher productivity.

*"With the social dialogues, we understand the needs of the management and the management understands us. That was really important to create the trust we now have on this committee. The management is fast in implementing the corrective action plan and the provided benefits exceed the legislations."*

Ms. Vuthea, Merchandise and Planning and a member of the workers' committee



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Jinan Shengquan Group Co., Ltd. is producing natural and chemical fibers.

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## Made in Asia

Good practices on the way to a sustainable  
textile and garment sector

Environmental protection through  
effective hazardous waste management



**SLSG** Social and Labour Standards  
in the Textile and Garment  
Sector in Asia

## ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)

### THE CHALLENGE

The textile industry is a substantial contributor to the environmental footprint of the economies in Asia - from cotton cultivating to wet processes to transport. The production of natural and chemical fibers in particular has several environmental impacts including the utilization of non-renewable resources, emissions from process heat and transport as well as waste generated in the operations.

The Chinese government had introduced in recent years a series of environmental regulations. These include administrative measures for hazardous waste transfer manifests or regulations for hazardous waste management.

As Jinan Shengquan Group in China increased and diversified its production, the company was facing challenges regarding the generated waste, as the type and amount of waste increased substantially. At the same time, the disposal capacity of hazardous waste in local provinces seriously lagged behind. To meet the challenges of the amount of waste as well as improve the disposal capacity, the Jinan Shengquan Group implemented a comprehensive system to manage hazardous waste, reduce the environmental impact and ensure legally compliant disposal.

### THE INITIATIVE

In 2016 Jinan Shengquan initiated a project in its operations to improve the management of hazardous waste and to reduce its environmental impact. The new management system, which is described in the factory's internal policies, ranges from the generation, collection, utilization and storage to the transfer and disposal of hazardous waste. Every step is managed by Jinan Shengquan to exert the highest possible control.

For each waste-stream of the process, a management account is established. It contains details like dates and places, responsible persons, warehousing-in and out, hand-overs and management of hazardous waste. To reduce the environmental impact while storing the hazardous waste, Jinan Shengquan introduced three designated storage areas - in total 2,670 square meters. In these areas, Jinan Shengquan conducted several safety measures; a cofferdam, a diversion channel, a collecting pool and diversion pumps were installed, as well as a system to collect the waste gas.

The hazardous waste warehouses are equipped with safety information and instructions on the nature, generation and disposal flow of hazardous waste. The warehouses are managed by assigned persons who have received specialized trainings. Besides that, employees at management level receive trainings in order to raise awareness for the protection of the environment. Jinan Shengquan also built its own waste incinerators.

All hazardous waste is transferred by using specialized containers or pipelines depending on type and hazardous nature. During the transport, the dynamic flow of the hazardous waste from export to import location is controlled and systematically tracked. A long-term supervision mechanism was introduced to safeguard the permanent and continuous implementation.

### THE BENEFIT

The introduced waste management measures contributed to the company's successful development as follows:

- The quantity of hazardous waste in relation to the quantity of production has been reduced by 13 percent per year.
- Management capital and disposal costs have been saved by 15 percent per year.
- The cost per product have been reduced by 0.015 percent through the efficient hazardous waste management system.
- The company is independent of public disposal capacities in the province.

The company's overall competitiveness has increased through higher profit margins and its image as a sustainable company that is perceived as successful in the market.

## CONTACT



Lat War Garment  
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Lat War Garment (Yangon & Yen) is producing knitted and woven garments. 1,100 employees work for the factory.

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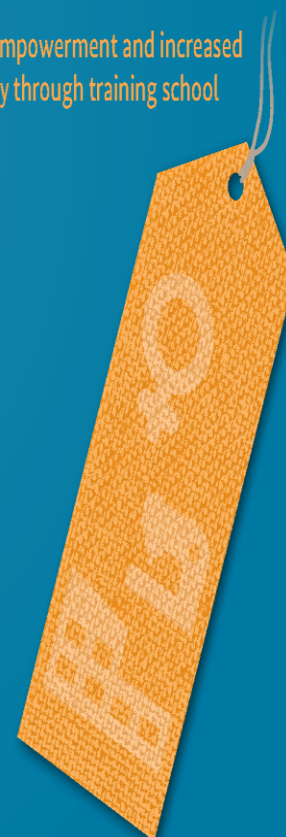
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## Made in Asia

Good practices on the way to a sustainable  
textile and garment sector

Women's empowerment and increased  
productivity through training school



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# ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)

## THE CHALLENGE

Myanmar's economy is growing fast with the garment industry as one of its drivers. International brands are increasingly sourcing in Myanmar which leads to new factories opening every month. With higher numbers of factories especially around Yangon a fierce competition has started.

Having the choice of different factories, workers are more likely to change their workplace, if employment conditions seem to be better elsewhere. Hence, one of the results of the increasing number of factories are high turnover rates. At the same time the recruitment of skilled workers is crucial for a factories' economic sustainability.

Whereas a lack of qualified workers is a challenge for factories, lack of qualification can be a problem for female workers. If women especially from rural areas have no access to vocational training, they are often prevented from finding decent employment, making it difficult to be economically independent and to support their family and children. Even if they manage to find a job in the garment sector, the unskilled women will start working as general helpers with very little payment.

The knitwear and woven garments producer Lat War Group in Myanmar was looking for a way to support recruitment of skilled workers and prevent workers from factory hopping.



## THE INITIATIVE

In the beginning of 2017, Lat War introduced a training school for unskilled workers from rural areas. The idea was to compensate drop out and improve efficiency of the workers and production quality. The school targets unskilled workers who receive free training for one month to become sewing machine operators. Thus, the mostly female workers have done their first step for better payment even before starting their job in the factory.

The training is mostly advertised in nearby villages and townships. Students have to register themselves at the school for the training. At the end of the four weeks course, students have to pass an exam to get a certificate. To take part in the course, students have to pay 10,000 Kyats as a deposit. The money is fully reimbursed after the students have completed the training.

The training curriculum includes training on garment production and efficiency and basics on labour rights, such as the workers' right to take leave, social security, freedom of association and also the duties and responsibilities of the employer and the employee. There is no contractual obligation for the students to work for one of Lat War's garment factories as Lat War Group has no obligation to employ the trainees. However, if there are open positions in Lat War factories, the students are usually recruited.



## THE BENEFIT

The training in the school of the Lat War Group helps women to find a job as skilled workers in the garment sector and to generate a better income for them and their families. The importance of the training school for economic empowerment of women is shown by an enormous demand of women from rural areas to receive the training. For the first two cycles, around 1,000 women applied to take part in the course.

Also the Lat War Group benefits strongly from the school. The Group was able to open a new factory with workers only recruited from the training school, creating more than 300 new jobs. In addition the drop-out rate in Lat War factories, which has significantly decreased, could be filled up with the newly recruited workers. Moreover, the certified trainees contribute to the efficiency gains of the factories. Benefiting from its skilled workers, the newly set up factory is now running with the same efficiency as a factory working for more than three years.

Lat War is complementing this measure with an attractive remuneration model. It combines a salary based on the minimum wage with a piece rate. Thus Lat War becomes even more attractive as employer.





## CONTACT



### AUKO-TEX Group

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AUKO-TEX Group is producing knitwear. 4,200 employees work for the factory.

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Good practices on the way to a sustainable  
textile and garment sector

Improving workers' health and  
happiness through health care facility



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## ROUNDTABLE ON SUSTAINABLE PRODUCTION IN THE TEXTILE AND GARMENTS SECTOR OF ASIA AND ADVISORY COMMITTEE MEETING IN MYANMAR (23-24 MAY, 2017)

### THE CHALLENGE

The garment and textile industries in Asia are facing high absenteeism and turnover rates, affecting productivity and competitiveness. Therefore, the knitwear factory AUKO-TEX aimed at initiating a program to reduce absenteeism and worker turnover.

The turnover rate and absenteeism are directly linked to employee satisfaction, workers' health and stress levels at work and at home. This especially holds true for female workers, as they have the double burden of earning money and taking care of elders and children. Initiatives to reduce absenteeism and worker turnover have to tackle these challenges that are affecting workers and their families.



### THE INITIATIVE

In 2002 AUKO-TEX introduced an on-site health care service for its employees and their families; in 2011 the health care facility was professionalized. Now, the factory employs two male and one female doctor as well as nurses and pathologists. At the health care facility, employees can receive free medical advice, check-ups and treatment on six days per week, 24 hours a day.

Focusing not only on medical treatment but also on prevention, AUKO-TEX arranges annual health check-ups for every single worker and for the staff to spot and screen diseases. Besides receiving medical advice, workers are given practical information on how to stay healthy. Training sessions are conducted by the safety committee's subsection for occupational health and safety as well as by the environmental health and safety committee. They inform the workers about health hazards and how to prevent or identify them. Parts of the suggested precautions are measures on hygiene and nutrition.

Another focus area of the initiative is women's health. As women sometimes lack confidence to express their health concerns and in particular gynaecological problems with male doctors, AUKO-TEX hired a female gynaecologist. This allows female workers to speak openly and therefore enabling them to receive medical advice from an expert. Furthermore, AUKO-TEX jointly with the NGO AWAJ foundation introduced in 2013 the project "HER+". It aims at increasing awareness of female workers on health, hygiene, sanitation and HIV/AIDS and provides workers with sanitary napkins to prevent infections.

However, as accidents can always occur, workers receive first aid training in case of an emergency. As of today, AUKO-TEX conducts monthly first aid trainings and has 94 first aiders.

### THE BENEFIT

For more than ten years, AUKO-TEX is providing medical treatment to its employees. Since the program started in 2002, the health care facility treated 34,649 patients, mostly by providing health check-ups. More than 2,000 health check-ups have been provided in 2016 alone.

There are two main benefits generated from this initiative: Firstly, by preventing diseases and treating diseases properly, absenteeism was reduced by one third between 2014 and 2016. Secondly, by providing health care, AUKO-TEX gains attractiveness as an employer, leading to reduced recruiting costs and turnover rates. The turnover rate was reduced by around a quarter between 2014 and 2016.



*"Our medical centre provides 24-hours medical services through adequate doctors and nurses. All disease related tests are performed free of cost for me and my family members. With these effective treatment plans and training, me and my family members are free of illness and happy."*

Razia Khatun started working for AUKO-TEX in 2013

## INTERACTIVE SESSIONS WITH VARIOUS PARTICIPANTS OF ROUNDTABLE AND ADVISORY COMMITTEE

In the sidelines of Roundtable and Advisory Committee, Mr Junaid Makda, Dy. Chief Coordinator, PHMA also exchanged views on matters of mutual interests with various participants as follows:

- **MR GUNDOLF KLAHN,**  
GIZ Head SLSG China, Emerging Market Multinationals Network for Sustainability,  
Social & Labour Standards in the Garments & Textiles Sector in Asia
- **MS SASKIA WIDENHORN,**  
GIZ Head of SLSG in Myanmar
- **MS MIRJAM MARQUARD,**  
GIZ Advisor SLSG Component,
- **MS TINGTING CHEN,**  
GIZ Project Coordinator, Emerging Market Multinationals Network for Sustainability
- **MR HU FAXIANG**  
Chief Economist, China Textile Information Centre
- **DR XIAOHUI LIANG,**  
Deputy Chief Economist, China Textile Information Centre  
Chief Researcher, Office for Social Responsibility, China National Textile & Apparel Council
- **DR KEN LOO,**  
Secretary General, Garments Manufacturers Association in Cambodia
- **MR MIRAN ALI,**  
Director, Bangladesh Garment Manufacturers & Exporters Association

### **OTHERS PARTICIPANTS**

- Mr Jacob A. Clere, Team Leader, SMART MYANMAR
- Mr Nikesh Raj, Sustainability Project Leader, Puls Trading Far East Ltd., Myanmar
- Mr U Kyin Tun, Managing Director, Newest Garment Manufacturing Co. Ltd. Myanmar
- Mr Hay Pharin, Compliance Manager, Dewhirst (Cambodia) Co Ltd, Cambodia
- Mr Li You Zhong, Dy. General Manager, CNTAC Testing Services Co. Ltd, Quanzhou, China
- Mr Deng Qinghui, Executive Director, Wang Tai Holdings Limited, Fujian, China
- Mr Do Thi Lan Phuong, Senior Manager SEA, Adidas Group, Ho Chi Minh City, Vietnam
- Mr Maeve Galvin, Programme Manager, C & A Foundation, Myanmar

(END)



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