

## Regarding allegations linked to New Wave Group in Myanmar

To whom it may concern:

New Wave Group (NWG) has received an invitation from the Business & Human Rights Resource Centre to address reports of alleged labor and human rights abuses involving garment workers in Myanmar. These reports pertain to three factory units where NWG have been listed as a buyer. We can confirm business relationships with TV Apparel Co and Kseng (Myanmar) Apparel. However, Myanmar Zhi Xin Garment is not a direct business partner of ours (see further information below).

First of all, NWG is deeply concerned by the reports from media and civil society organizations regarding the political situation in Myanmar. Primarily about the effect on the workers safety, but also long-term viability of sourcing Ready Made Garments (RMG) from Myanmar.

As a member of amfori BSCI, New Wave Group has adopted the amfori BSCI Code of Conduct and works systematically with monitoring social conditions in the supply chain, including due diligence to identify and address risks and follow up the Code of Conduct through third-party audits. We work in the same way with our Business Partners in all markets to ensure that they adhere to our Code of Conduct and comply with national laws.

As recommended by amfori BSCI, we have intensified our due diligence processes and do everything to uphold responsible purchasing practices, including pro-active and close communication with local producers to understand the challenges they are facing in order not to make unilateral purchasing decisions. NWG is also a member of the European Chamber of Commerce in Myanmar, from where we receive daily update on the situation on the ground (security, economic, and political updates).

In the following, we want to take the opportunity to provide further information on reported allegations in Myanmar factories linked to NWG and actions taken.

### TV Garment Factory / TV Apparel Co

Outline of allegations:

- In October 2024, it was reported that workers at TV Garment Factory are facing a series of violations, including factory management refusing workers permission to go home despite flooding in the factory and the risk of electric shock. Human Resources at the factory reportedly told workers if they go home their wages would be cut. Workers also reported that daily wages are not fixed, with non-payment of wages if workers take a day of leave and the non-payment of owed subsidies.<sup>1</sup>

NWG Response:

Due to the flood situation in Myanmar in October 2024, where logistic services were not stable and most materials were delayed, the NWG Business Partner Handa (Yangon) Garment Co.Ltd was temporarily subcontracting the factory "TV Apparel Co" to avoid delay.

---

<sup>1</sup> <https://www.myanmarlabournews.com/posts/စက်ရုံအတွင်း-ရေဝင်ပြီး-လုပ်ကိုင်မရ-ဖြစ်ပေမဲ့-နေအိမ်-ပြန်ခွင့်မပေး>

As soon as NWG became aware of the allegations, we put pressure on TV Apparel Co to comment on the findings and immediately get back with a Corrective Action Plan.

In their response, TV Apparel Co, explained that there was no flood in the factory. However, some worker's homes were affected and factory responsible let them go back as soon as possible, which they have records for.

Regarding the full attendance bonus, TV Apparel Co explained that employees who have worked for one month will receive a full attendance bonus of 10,000 MMK, employees who have worked for two months will receive a full attendance bonus of 20,000 MMK and employees who have worked for three months will receive a full attendance bonus of 30,000 MMK. Employees who do not have full attendance cannot enjoy the full attendance bonus. However, considering the high cost of living for employees, TV Apparel Co will further on not divide it into full months and all employees will be given a full attendance bonus of 30,000 MMK with start from December 2024.

NWG are now further investigating the circumstances to confirm necessary corrective actions are taken.

### **Kseng (Myanmar) Apparel**

- In July 2024, it was reported that workers at Kseng (Myanmar) Apparel are facing a series of violations, including mandatory overtime every day, sometimes until dawn, workers getting tired and sick from overtime shifts, and a Workplace Coordination Committee member who works as a line leader pressuring workers to meet targets. Workers' wages were reportedly cut after the factory temporarily closed and workers could not work, despite workers not being informed of the closure. The excessive overtime has been raised with the Yangon Division labor office, but it has been accused of failing to help the workers.<sup>2</sup>

NWG response:

Kseng (Myanmar) Apparel has provided a substantiated response to outlined allegations and emphasize that they have strict policies in place for covered areas. They confirm they are committed to further investigate these allegations thoroughly and take appropriate disciplinary action against any individuals found to be in violation of their company policies.

Further, in September 2024, Kseng (Myanmar) Apparel, undergone a third-party WRAP audit with only minor non-compliances. After that, in November 2024, an assessment was made by "MADE in Myanmar SMART Factories" (a program co-founded by the European Union) through workers interviews. Worker's overall satisfaction rate was 4.2 (score range from 1 to 5, 1 means highest dissatisfaction, 5 means highest satisfaction).

Based on above and documentation provided, all considered persuasive and trustworthy, the factory is today considered to maintain a good standard.

---

<sup>2</sup> <https://www.myanmarlabournews.com/posts/ksheng-myanmar-အထည်ချုပ်-စ-နာရီဆက်-လုပ်ကိုင်ခိုင်းပြီး-ညလုံးပေါက်-ထပ်မံ-ခိုင်းစေ>

**Myanmar Zhi Xin Garment**

- In October 2024, it was reported that Myanmar Zhi Xin Garment threatened to sue workers who complained about their grievances at the factory, including mandatory overtime incl. Sundays and wage reductions if workers refuse, unfair dismissal of workers the factory management does not like, wage reductions, denial of paid leave incl. medical leave, denial of permanent contracts to day labourers at the factory, who also receive low wages and are not paid on Sundays, and verbal abuse.<sup>3</sup>
- In October 2024, it was reported that a line leader was fired after reporting to management that the workers didn't want to work on a certain floor because it smelled bad.<sup>4</sup>

NWG response:

Myanmar Zhi Xin Garment is not a direct business partner of New Wave Group/Cutter & Buck. We understand that garments with Cutter & Buck logo was found in the factory. However, it is not the correct logo we are using in production. We are now investigating if it could belong to a Cutter & Buck licensed distributor, but have yet no further information.

If any inquiries, please contact Anni Sandgren, CSR and Sustainability Manager at New Wave Group: [anni.sandgren@nwg.se](mailto:anni.sandgren@nwg.se).

Sincerely,



---

Anni Sandgren  
CSR and Sustainability Manager  
New Wave Group AB

---

<sup>3</sup> <https://www.myanmarlabournews.com/posts/ထောက်ပံ့ကြေးတိုးပေး၍-အခြားခံစားခွင့်ကိုလျော့ချ-ဥပဒေမဲ့-လုပ်ရပ်များ-လုပ်ဆောင်နေသော်လည်း-တိုင်ကြားသူများကို-စက်ရုံဘက်က-တရားစွဲဆိုမည်ဟု-ခြိမ်းခြောက်ပြောဆို>

<sup>4</sup> <https://www.myanmarlabournews.com/posts/ထောက်ပံ့ကြေးတိုးပေး၍-အခြားခံစားခွင့်ကိုလျော့ချ-ဥပဒေမဲ့-လုပ်ရပ်များ-လုပ်ဆောင်နေသော်လည်း-တိုင်ကြားသူများကို-စက်ရုံဘက်က-တရားစွဲဆိုမည်ဟု-ခြိမ်းခြောက်ပြောဆို>