

## Invitation to respond – Next in our Myanmar Garment Worker Allegations Tracker

Outline of allegations linked to Next :

Cheung Hing Myanmar

- In August 2023, it was reported that workers at Cheung Hing Myanmar faced a series of violations, including changes in holiday pay and non-payment of seniority, and health and security issues due to mandatory overtime.

Source:

<https://www.myanmarlabournews.com/posts/cheung-hing-myanmar-အထည်ချုပ်စက်ရုံမှာ-ပုတ်ပြတ်စနစ်နဲ့-လုပ်ကိုင်နေရလို့-ညနက်-၁၁-နာရီမှ-အလုပ်သမားများ-နေအိမ်ပြန်နိုင်>

- In November 2023, it was reported that workers at Cheung Hing Myanmar faced a series of violations, including workers being forced to work overtime due to a change in the pay system and excessive production targets, non-payment of overtime wages, unpaid wages during temporary factory closures, and wage cuts if workers miss a day of work.

Source:

<https://www.myanmarlabournews.com/posts/cheung-hing-myanmar-သိုးမွေးစက်ရုံပုတ်ပြတ်စနစ်နဲ့-လုပ်ကိုင်နေရလို့-အလုပ်သမားတွေအခက်တွေ့>

Handa (Yangon) Myanmar

- In October 2023, it was reported that workers at Handa (Yangon) Myanmar faced a series of violations, including poor ventilation in the factory, denial of leave incl. if workers feel unwell, wage cuts, unpaid overtime if workers don't meet targets and limited access to medicine at the clinic.

Source: <https://www.facebook.com/moe.sandramyint/posts/1817407955328764>

### Next Response 23.01.24:

#### Cheung Hing Myanmar:

Thank you for contacting Next regarding allegations of abuses at garment factories in Myanmar. Next has a directly employed Code of Practice team based in key sourcing locations, including Myanmar, which enables us to carry out due diligence in line with our Code of Practice standards. The factory named in your correspondence has regular unannounced audits every 8 weeks by our Code of Practice team.

Cheung Hing is an active factory for Next and alongside the regular visits by our team, we arranged an additional unannounced visit following the information received from BHRRC. Our audit process and conversations with workers demonstrate that there is no evidence of forced overtime and overtime hours are paid in line with local legislation. There was a factory closure for 4 days in October 2023 - all workers received payment in line with local legislation for that time period.

One issue that our team has identified is in relation to annual leave, where there have been restrictions for workers in taking annual leave. The leave is compensated through

payment to workers, however this is not in line with the Next Code of Practice standards and we are working with the factory and our contracted supplier on a remediation plan. The factory is positive in wanting to work with us on remediation and progress will be closely monitored by our local team.

The factory is a participant in our grievance mechanism run through the platform TIMBY, which workers confirmed they were aware of and had access to if they wished to raise a concern anonymously.

**Handa (Yangon) Myanmar:**

Thank you for contacting Next regarding allegations of abuses at garment factories in Myanmar. Next has a directly employed Code of Practice team based in key sourcing locations, including Myanmar, which enables us to carry out due diligence in line with our Code of Practice standards.

The allegations in relation to this factory date from October 2023. Our on the ground COP team last audited Handa in July 2022 and there was no indication through the audit process or interaction with workers that the allegations outlined by BHRRC were applicable at this time. This factory has not had any active production for us since 2022 and our final orders left the factory in September 2022. Since then, we have had no further business and the site is no longer active for Next.