1. Heng Li Garment, Sen Yu, Golden Propitious, and He MeT, are not a part of the LPP supply chain.

2. WHM Myanmar

LPP conducted an audit in WHM factory in November 2024 and in addition, contacted agents who cooperate with factories in Myanmar and engaged them in clarifying situations.

During the audit, information was gathered and considered from records review, worker interviews, management interviews & visual observation. During the assessment the following conclusions were drawn in regard to the allegations:

- the factory has an issue with maintaining skilled labour in the area,
- the factory was found to be transparent with the working hours,
- the factory exceeded the legal limit for working hours in July, the allegation was confirmed,
- workers can refuse overtime work.

The factory was confronted with the audit results and received scopes of improvement report and summary of the score. Please note that due to limiting its value chain in Myanmar, LPP is not planning to cooperate with WHM factory in the future.

3. Maiyibei Garment

LPP conducted an audit in Maiyibei Garment Manufacturing factory in March 2024. Information was gathered and considered from records review, worker interviews, management interviews & visual observation. The factory was confronted with the audit results and received scopes of improvement report and summary of the score. The factory is going to be assessed during the follow-ups. First follow-up took place in October 2024 and no major irregularities were found.

In addition, Maiyibei Garment Manufacturing factory went through a third party audit in June 2024 and received a good grade.

After receiving allegations from B&HRRC, LPP contacted agents who cooperate with factories in Myanmar and engaged them in clarifying situations. Supplier responsible for cooperation with the factory provided information in regard to issues mentioned in the allegations, and ensured that the factory is committed to strengthening harmonious labor relations and plans to better communicate with employees, at least 1-2 times per month, to address issues at work. Factory management has conducted checks on personnel records and onsite, with no underage employees aged 16 to 18 found. The rest of the issues were already resolved or factory policies were explained to workers. This happened in cooperation with WCC – in regard to wages, compensation and working hours during the holiday period.

4. Xiang Rui Fashion Garment

LPP conducted an audit in Xiang Rui Fashion Garment factory in November 2023. Information was gathered and considered from records review, worker interviews, management interviews & visual observation. No irregularities in regard to working hours, disciplinary practice or wages and compensation were found. The factory was confronted with the audit results and received scopes of improvement report and summary of the score. In addition, Xiang Rui factory went through a third party audit in August 2024 and received a good grade. The factory is going to be assessed during the follow-ups, and special attention will be paid to allegations published on Myanmar Labour News. LPP contacted an agent who cooperates with the factory in order to clarify the situation.

5. Ten Da Garment

LPP conducted an audit in Ten Da Garment factory in November 2024. Information was gathered and considered from records review, worker interviews, management interviews & visual observation. During the assessment the following conclusions were made in regard to the allegations:

- the employment contracts of helpers and ironing workers were prepared with non-compliance to the local law,
- cases of workers being dismissed for refusing overtime and workers required to work across various departments and locations could not be verified,
- there has been excessive overtime work in 2024,
- based on the workers' interviews there has been no acts of discrimination, harassment, or abuse from supervisors or threats about not doing overtime,
- during the assessment, non-compliance was discovered in the area of wages and compensations,
- the disciplinary rules were not consistent with the rules written in the employment contracts,
- during the assessment, it was observed that the facility did not provide clean toilet facilities for men and women,
- it was noted that there was a shortage of dining seating capacity,
- based on workers' interviews, the leaking roof has been fixed,
- it was observed that the factory's grievance mechanism was not operational.

The factory will receive the audit results and receive scopes of improvement report and summary of the score. Further cooperation with the factory would demand that its management applies necessary corrections to guarantee LPP Code of Conduct.

6. **Tianjin Fashion Milestone Garment**

Tianjin Fashion Milestone Garment factory went through a full audit in December 2023 and is under observation during the execution of a corrective action plan. The factory was confronted with audit results and received scopes of improvement report and summary of the score. LPP conducted a follow-up in Tianjin Fashion Milestone Company Ltd. at the end of May 2024 and informed BHRRC about its findings. The factory was again confronted with audit results and received scopes of improvement report and summary of the score. In addition, Tianjin Fashion Milestone Garment went through a third party audit in August 2024 and received a good grade.

Another follow-up was performed in October 2024. After receiving allegations from B&HRRC, LPP contacted agents who cooperate with factories in Myanmar and engaged them in clarifying situations. In regard to the allegations, based on onsite visitation as well as presented evidence:

- Sunday work and additional overtime work were found but the indication of forced OT was not confirmed, the management held a meeting during which they discussed adjusting their production plan to the manpower list; the factory does not have an evening break as the majority of the workers want to leave the factory earlier;
- the HR manager held a meeting to discuss the rude language used by the supervisors and performed the workers' survey;
- HR manager established a standard operating procedure for the security company;
- in regard to the ferry issue incl. pregnant workers sitting in front of the ferry, the HR manager arranged a meeting and resolved the problem;

- at the time of the audit, the first aid boxes were not provided with sufficient medicine, nevertheless the factory provided receipts and medicine take-out records;
- documents confirmed that a WCC had been elected,
- factory claims, that issuing SSB cards with delay is caused by the government delay
- onsite review confirmed that the pregnant workers have access to SSB;
- Factory claims, that all of the new employees signed EC contract within one month.

The factory is going to be assessed during the follow-ups.

7. **Sincere Season**

LPP conducted an audit in Sincere Season factory in February 2024. Information was gathered and considered from records review, worker interviews, management interviews & visual observation. The factory was confronted with the audit results and received scopes of improvement report and summary of the score. The second audit took place in August 2024. During the assessment it was concluded that the allegations were reasonable. The factory management was found cooperative and willing to take the preventive and mitigating measures. By addressing the root causes, the factory can improve its procedures, ensure better compliance with labor laws, and create a more transparent and supportive work environment for the workers. The factory management was given recommendations to include in CAP in received report. According to the feedback received from the agent who cooperates with the factory, by now:

1. The factory has established WCC to coordinate the relationship between the factory and workers.
2. The factory and every newly hired employee have signed a labor contract.
3. The factory has provided personnel training to prevent workers from using fake ID cards.
4. Overtime is being negotiated with workers via WCC, overtime is voluntarily, each time the factory applies for overtime approval from the Ministry of Labor.
5. The factory has also strengthened training for medical staff.

The factory is going to be assessed during the follow-ups.

8. **Textile Palace 2**

Textile Palace factory went through a third party audit in May 2024 and received a good grade. LPP conducted an audit in Textile Palace factory in October 2024. Information was gathered and considered from records review, worker interviews, management interviews & visual observation. The factory was confronted with the audit results and received scopes of improvement report and summary of the score. During the assessment the following conclusions were made in regard to the allegations:

- during assessment, the signatures of workers were found to be inconsistent with the ones in their employments;
- during the assessment, it was noted that the factory did not calculate earned leave benefits in accordance with 1951 Leave Act and 2018 Leave and Holiday Rule. However, it was noted that they already have begun corrective actions to address earned leave benefits and employment contract updates.

The factory was confronted with the audit results and received scopes of improvement report and summary of the score. The factory is going to be assessed during the follow-ups.

9. Lucky Fortune

Please note that LPP cooperates with the Lucky Fortune factory located at
plot no. 90, Myay Taing block no.65 (Sethmu), Industrial Zone (4), Shwe Pyi Thar Township, Yangon. Allegations forwarded by BHRRC do not provide this address. Altogether the company has 3 units called the Lucky Fortune. The comment below can only refer to the location mentioned.

Lucky Fortune cooperated with MADE in Myanmar project during the years 2022-2024 and went through multiple assessments. LPP, in cooperation with experts affiliated with MADE in Myanmar project, also performed the audit in Lucky Fortune in November 2023.

According to the corrective action plan the factory management should establish a social compliance team structure with clear responsibility to cover all areas of labor rights, analyze the root cause and make a plan to reduce OT, revise the protection policy which includes maternity benefits and protection measures to pregnant workers in accordance with the law, revise the working hour policy to include the information of overtime working hours, the overtime application process and public holidays, revise and communicate the leave policy and renumeration policy to all workers; not only to supervisors and leaders, communicate and explain to all workers about grievance handling procedures. Moreover, the factory should ensure that supervisors do not to use abusive language during communication with workers. The supervisors should be disciplined for using abusive language in workplace communication.

In addition, Lucky Fortune factory went through a third party audit in December 2023 and received a good grade. LPP contacted an agent who cooperates with the factory in order to clarify the situation. The factory issued their stance claiming that they conduct business according to the law and that the accusations are false.

Please note that due to limiting its value chain in Myanmar LPP is not planning to cooperate with the factory in the future.