

Factory Compliance Findings Report

Factory Name : **Newage Apparels Limited**
Address: **Holding # 06/66/1, Road # 11, Block # L, Ward # 6
Nishchintopur, Purbonorshingpur Ashulia, Savar Dhaka Dhaka
Bangladesh**
Questionnaire Name: **Kontoor Factory Compliance Audit v2.3**
Assessment Date : **21 Mar 2023**
Lead Monitors : **Kamal Siddiki~Kontoor Brands**
Printed By : **Kamal Siddiki**



FACTORY INFORMATION

General Information	
Factory Name	Newage Apparels Limited
Supply Chain Intermediaries	Newage Apparels Limited

Basic information

Other Names	
FFC Id	15981
Street	Holding # 06/66/1, Road # 11, Block # L, Ward # 6 Nishchintopur, Purbonorshingpur Ashulia, Savar
City/Town	Dhaka
Province/State	Dhaka
Country	Bangladesh
Postal Code	1341
Phone	(88)-0-9612639243
Private Contacts	Mahmud Hossain (mahmud@newage-group.com), Mozaharul Islam Prince (prince@newage-group.com), Jewel Ahmad (jewel@newage-group.com), Bikash Chandra Paul (bikash@newage-group.com), Dedar Ul Arab (dedar@newage-group.com)

Assessment Information

Assessment Date	21 Mar 2023
Assessment Purpose	Follow-up
Auditor	Kontoor Brands

Executive Summary

<p>347713</p>	<p>Assessment Closing Comments</p>	<p>The Kontoor Brands Factory Compliance Department has issued the Sustainability Scorecard and Factory Compliance Findings Report for Newage Apparels Limited.</p> <p>The Knit and Woven Tops and Cap factory has completed their Follow-up Audit on March 20-21, 2023 for the following Sourcing Groups/Brands:</p> <p>Kontoor NA/INTL Sourcing - Asia – Newage Apparels Limited – Lee / Wrangler.</p> <p>The factory exhibits acceptable compliance in all material aspects with Kontoor Brands’ Global Compliance Principles. The resulting designation is set at GREEN. with an Overall Sustainability Score of 87.</p> <p>The factory is expected to continue to remediate Minor compliance findings listed and maintain positive factory practices for continuous improvement.</p> <p>Audit Findings were communicated in the closing meeting to the following factory representatives: Dedar UI Arab (Asst. Manager-HR & Sustainability), Md. Aslam Ali - (Deputy Manager – Admin & Personnel). The next audit will be scheduled by Sep 21, 2024.</p>
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Designation : GREEN

FINDINGS AND REMEDIATION ISSUES

Wages and Benefits - Benefits

Issue type	Wages and Benefits
Subheader	Benefits
Assessment Question	P4-2.3 Determine if the facility provides severance payment to employees as required by local law.
Explanation	<p>Minor Issue: May 25-26, 2022 Anniversary Audit: During audit it was noted that severance benefit of the workers are not paid within 30 days as per law in few cases. [Legal Requirement] [Minor 0]</p> <p>----- March 20 & 21, 2023 Follow Up Audit: During audit it was noted that severance benefit of the workers are not paid within 30 days as per law in few cases. [Legal Requirement] [Minor 1]</p>
Violation Severity Level	Minor 1
Company Deadline Date	30 Apr 2023
Company Plan of Action	Factory management needs to ensure that severance benefit of the workers are paid within legally mandated timeframe.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Wages and Benefits - Wage Payment

Issue type	Wages and Benefits
Subheader	Wage Payment
Assessment Question	P4-3 Determine if the facility compensates for overtime hours in accordance with local law.
Explanation	<p>Minor Issue: May 25-26, 2022 Anniversary Audit: During audit it was noted that factory management is not providing overtime payment for overtime hour more than 15 minutes. Less than 10% sampled workers were impacted for this practice. [Kontoor Requirement] [Minor 0]</p> <p>----- March 20 & 21, 2023 Follow Up Audit: During audit it was noted that factory management is not providing overtime payment for overtime hour more than 15 minutes. [Kontoor Requirement] [Minor 1]</p>
Violation Severity Level	Minor 1
Company Deadline Date	30 Apr 2023

Company Plan of Action	A maximum non-paid tolerance of 15 minutes can be used before or after a working shift to allow time for associates clocking in and out. Any work done after the 15 minutes tolerance has to be considered for the OT at the rate of 200%.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Hours of Work - Day of Rest

Issue type	Hours of Work
Subheader	Day of Rest
Assessment Question	P5-2 Determine if the factory provides for at least one day off out of every seven days.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Randomly checked timecard was reviewed from Sep'22, Dec'22, Feb'23 and it was revealed that 18 out of 20 sampled workers worked 10 consecutive days in the month of Feb'23, 17 out of 20 sampled workers worked 8 consecutive days in the month of Dec'22, 13 out of 20 sampled workers worked 7 consecutive days in the month of Sep'22 [Legal Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	30 Apr 2023
Company Plan of Action	All associates must be provided at least one day off in every seven-day period.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Hours of Work - Hours of Work

Issue type	Hours of Work
Subheader	Hours of Work
Assessment Question	P5-1.1 Determine if the facility ensures that employee hours worked do not, on a regularly scheduled basis, exceed the lesser of (a) the legal limitations on regular and overtime hours in the jurisdiction in which they manufacture or (b) 60 hours per week including overtime taking into consideration periods of extraordinary business circumstances.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Randomly checked timecard was reviewed from Sep'22, Dec'22, Feb'23 and it was revealed that 7 out of 20 sampled workers worked 74-79 hours/week including weekly holiday work and 10 out of 20 sampled workers worked 61-71 hours/week in the month of Feb'23, 15 out of 20 sampled workers worked 73.5-80 hours/week including weekly holiday work in the month of Dec'22, 10 out of 20 sampled workers worked 73-80 hours/week and 8 out of 20 sampled workers worked 65-68 hours/week in the month of Sep'22. As the workers worked on weekly holidays which were done to provide additional festival holidays the issue was considered as "Minor". [Legal Requirement] [Minor 0]

Violation Severity Level	Minor
Company Deadline Date	30 Apr 2023
Company Plan of Action	The facility must ensure that associate hours worked do not exceed 60 hours per week including overtime, or greater than the legal limit.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Health and Safety - Safety Program and Training

Issue type	Health and Safety
Subheader	Safety Program and Training
Assessment Question	P7-29 Determine whether the Critical Life Safety (CLS) audit report complies with Kontoor Brands' requirement in Critical Life Safety (CLS) Audit Program.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Factory has missing CLS (Building, Electrical and Fire) assessment for their newly constructed building used for storage purpose. As the factory recently started using the building the issue has been treated as Minor in this audit. Factory needs to go for Fire, Electrical and Building safety assessment within 9 Months. Repetition of this issue will be treated as "Major" during next audit. [Kontoor Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	21 Dec 2023
Company Plan of Action	It is recommended that facility shall ensure to carry out Critical Life Safety (CLS) assessment as early as possible.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Health and Safety - Machinery Safety

Issue type	Health and Safety
Subheader	Machinery Safety
Assessment Question	P7-15 Determine if machinery is equipped with the appropriate operational safety devices.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Approximately 10% sewing machines were found misplaced. [Legal Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	30 Apr 2023

Company Plan of Action	Machinery must be equipped with safety devices, which associates cannot manipulate such as needle and belt guards for sewing machines, two-hand operation for die cutting/hole punching/pressing equipment, and automatic shut off switches for laundry extractors, auto spreader etc. All guards must be in working condition and securely in place.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	
Issue type	Health and Safety
Subheader	Machinery Safety
Assessment Question	P7-18.3 Determine if large equipment is operated by qualified operators as required by local law.
Explanation	<p>Minor Issue: October 12, 2020 Anniversary Audit: It was noted that the factory had no first class boiler operator appointed; whereas, 01 (heating capacity rating was 2180 sq ft.) of 05 boiler of the factory exceeded 1000 sq ft. rating. [Legal Requirement] [Minor 0]</p> <p>----- May 25-26, 2022 Anniversary Audit: Factory has missing First Class operator. 1 out of 9 Boiler of the factory's heating surface is more than 1500SQFT. which require First Class boiler operator. 1 operator already applied for First Class certificate. [Legal Requirement] [Minor 1]</p> <p>----- March 20 & 21, 2023 Follow Up Audit: Factory has missing First Class operator. 1 out of 9 Boiler of the factory's heating surface is more than 1500SQFT. which require First Class boiler operator. 1 operator already applied for First Class certificate. [Legal Requirement] [Minor 2]</p>
Violation Severity Level	Minor 2
Company Deadline Date	30 May 2023
Company Plan of Action	Factory needs to appoint first class boiler operator as early as possible.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	
Health and Safety - Emergency Evacuation	
Issue type	Health and Safety
Subheader	Emergency Evacuation
Assessment Question	P7-11 Determine if aisles are kept clear from obstructions at all times.

Explanation	<p>Minor Issue: 1. May 25-26, 2022 Anniversary Audit: During audit 2 aisles of finishing section in Building 2 were found partially obstructed by workstation. Some aisles of finished goods store were found obstructed by cartons. [Legal Requirement] [Minor 0]</p> <p>----- March 20 & 21, 2023 Follow Up Audit: During audit few aisles of finishing section in building:1 were found partially obstructed by workstation, few aisles of finishing section in 3rd floor of building: 1 were found partially obstructed by pillar and workstation. Some aisles of finished goods store were found obstructed by cartons. [Legal Requirement] [Minor 1]</p> <p>=====2. March 20 & 21, 2023 Follow Up Audit: During audit few aisles marking of cutting and printing section were found faded. Aisles marking of basement (fabric store) were found improper. Moreover, factory has missing aisles marking in First floor of Building: 9. [Legal Requirement] [Minor 0]</p>
Violation Severity Level	Minor 1
Company Deadline Date	30 Apr 2023
Company Plan of Action	<p>1. Factory needs to ensure that all aisles are free from any obstruction at all time during working hours.</p> <p>2. Exit routes should include directional arrows. Aisles should be marked properly, floor arrows should be fluorescent or luminescent.</p>
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

Health and Safety - Factory Floor Safety

Issue type	Health and Safety
Subheader	Factory Floor Safety
Assessment Question	P7-16.1 Determine if employees need to wear any personal protective equipment (PPE) and if so, confirm the employer provides it at no cost to the employee.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: During audit approximately 20% workers were found working without using face mask. [Legal Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	30 Apr 2023
Company Plan of Action	Personal protective equipment (PPE) assessments must be conducted for each operation and employees must be trained in the use of required PPE for their operations. All training must be provided in the native language of the employees, competency of the material reviewed must be ensured, and training must be documented. The facility must enforce the use of PPE as needed.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)

Photo(s)	
Health and Safety - Structural Safety	
Issue type	Health and Safety
Subheader	Structural Safety
Assessment Question	P7-27.2 Determine if the facility has building certificates and permits available for review.
Explanation	<p>Minor Issue: May 25-26, 2022 Anniversary Audit: Factory has missing building approval plan for newly constructed building. 3 floors are used for storage purpose now. Factory management already collected layout approval plan from local union parishad and applied for the change of land use permission to RAJUK. [Legal Requirement] [Minor 0]</p> <p>----- March 20 & 21, 2023 Follow Up Audit: Factory has missing building approval plan for newly constructed building from RAJUK. Factory management has building approval plan from local union parishad and Upazilla Engineer. [Legal Requirement] [Minor 0]</p>
Violation Severity Level	Minor 1
Company Deadline Date	30 Jun 2023
Company Plan of Action	Factory management needs to communicate with concerned department and collect the updated building approval plan as early as possible.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	
Facility Security - C-TPAT	
Issue type	Facility Security
Subheader	C-TPAT
Assessment Question	P15-2 Determine if the facility have a Video Surveillance camera system installed (CCTV) to support the security (C-TPAT) program.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Factory has missing CCTV footage for few hours on random days between last 30 days due to power backup issue. [Kontoor Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	30 Apr 2023
Company Plan of Action	CCTV records (tape or digital) must be maintained for at least 30 days. (Recordings must be seven days per week, 24 hours per day and continuous. Static or motion detection recordings are not sufficient).
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)

Photo(s)	
Environment - Environmental Requirements	
Issue type	Environment
Subheader	Environmental Requirements
Assessment Question	P16-1 Determine if the facility complies with all laws and regulations relating to environmental protection, and all environmental permit requirements (e.g. for wastewater, air emissions, solid waste) in the countries in which they operate.
Explanation	Minor Issue: March 20 & 21, 2023 Follow Up Audit: Environmental clearance certificate of the factory was found expired on March 8, 2023. Factory management applied for the renewal on Feb 26, 2023. Environmental clearance certificate for Captive Power Plant was found expired on July 13, 2022. Factory management applied for the renewal on June 23, 2022. [Legal Requirement] [Minor 0]
Violation Severity Level	Minor
Company Deadline Date	30 Jun 2023
Company Plan of Action	Factory management needs to communicate with concerned department and collect the updated Environmental clearance certificate and Environmental clearance certificate for Captive Power Plant as early as possible.
Responsible Person	Dedar UI Arab (Asst. Manager-HR & Sustainability)
Photo(s)	

PHOTO EVIDENCE

PHOTO DOCUMENTATION