



Quarterly Newsletter

January 2020



We are pleased to present to you the first quarterly LABS Initiative newsletter. Since its launch, the program has made steady progress in assessing the building safety of factories. Whilst continuously engaging new factories, the program is also set to work with the industry to remedy the issues that have been found. We are keen to provide transparency to all who are interested in the progress of the initiative and as such, will provide a quarterly update on the activities of the program. Please enjoy this first volume since the launch of the program and feel free to reach out in case of any questions or recommendations.

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Factories onboarded

73

India: 26
Vietnam: 47



Workers reached

163,000

India: 29,000
Vietnam: 134,000



Assessments conducted

45

India: 15
Vietnam: 30

Launch of LABS Initiative

The LABS Initiative was launched in Vietnam on August 6, 2019 and in India on August 28, 2019 to mitigate preventable structural, fire and electrical safety risks in apparel and footwear industries in these countries. The events saw representation from governments, business associations, CSOs, Brand Participants, their supply chain partners and inspection and training firms associated with the program. Government and other local stakeholders at the event recognized the need for the standards and their enforcements and the majority agreed to work with the LABS Initiative for the improvement of safety standards in the sector.



Assessments

Upon enrolling in LABS, the Brand Participants disclose their supplier factories, which are then onboarded onto the program by the LABS team. Next, the team schedules assessments for the factories.

Once the assessment has taken place and issues have been identified, these will be presented and shared with the factory as a Corrective Action Plan (CAP). Within this CAP, the issues and required remediation activities are listed along with the corresponding timelines for the factories to address these issues.

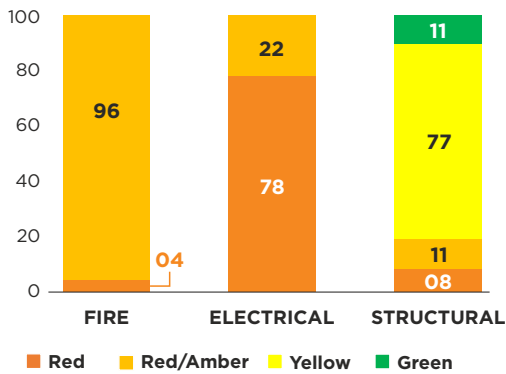
VIETNAM

In Vietnam, a total of 30 factories have been assessed under the program thus far and quality assurance assessments have been conducted in two.

Factories assessed: Chutex International Long An; Chutex International Binh Duong; Pearl Garment; Man Seon Global Garment; Hana Kovi; Ha Hae Vietnam; Ha Hae Thai Binh; A First Vina; Dai Nghia Garment Export; FTN Vietnam; Hansae TG; Hansae TN; Michigan Hai Duong; PT Daehan Global Yen Dung; Vina Korea; Yakjin Saigon; Yakjin Vietnam; Appareltech Vinh Loc; Seshin Vn2; Bac Giang LGG Garment Corporation; Branch of Poong In Vina Co Ltd; Eins Vina Co Ltd; Formostar Garment (Vietnam) Co Ltd; Hansae Vietnam Co Ltd; Nobland Vietnam Co Ltd; Poong In Vina Co Ltd; Ssv Export Garment Company; Sun World Garment Co Ltd; Texma Vina Co Ltd; Winners Vina Co Ltd

Quality Assurance Assessments: Chutex International Long An; A First Vina

Key Findings



Electrical-Related Issues

- High temperatures were observed at electrical panels in several factories. The electrical rooms were also dirty with lint, water, oil and debris.

Fire-Related Issues

- Exit doors on escape paths were seen with lockable devices and temporary obstacles. The exit signs were neither illuminated nor provided emergency power backup.
- Inadequate preparedness for fire-fighting techniques, such as insufficient water storage, inadequate fire alarms and limited fire-detector systems were noted.

Structural-Related Issues

- A vertical crack on the beam was detected in one of the factories.

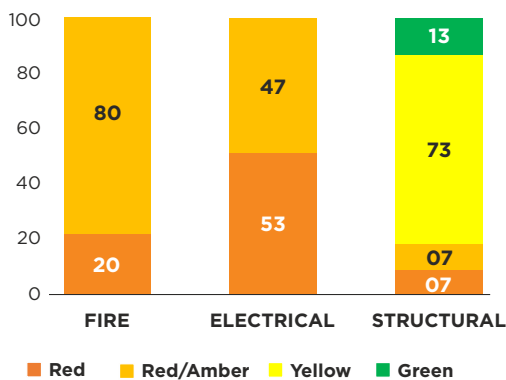
INDIA

In India, a total of 15 factories have been assessed thus far and quality assurance assessment has been conducted in one.

Factories assessed: Fashionage Corporation Pvt Ltd; Pee Empro Exports; Richa Fashion; Supreme (India) Impex; Triangle Apparels Unit-VI; Venkateshwara Clothing Company Pvt Ltd; Texport Industries Pvt Ltd Unit-16; Texport Industries Unit Ltd No.-04; Pearl Global Industries-446; Arvind Limited; RMX Joss Fashions; XLNC Fashions; SMS Exports B-9; Pearl Global Industries (Bangalore); Fashion Accessories

Quality Assurance Assessments: Fashion Accessories

Key Findings



Fire-Related Issues

- Exit doors on escape paths had lockable devices and temporary obstacles. The exit signs were not visible.
- Fire control panels were not working.
- Insufficient smoke detectors.
- Emergency lighting and fire alarms were not functioning.

Structural-Related Issues

- Cracked walls, rusted steel and extensive corrosion were observed. Documentation including Structural diagrams, Geo-technical reports and single line diagrams were missing in some factories.

Electrical-Related Issues

- Dust, lint and flammable material had accumulated in electrical panels and cables.
- High number of hotspots with temperature varying from 90°C to 150°C detected (at least two in every factory).
- Fire hydrant pumps and emergency lights were not working.

SUMMARY OF ISSUES REQUIRING ATTENTION

RED	Important IMMEDIATE actions required.	RED/AMBER	No reason to suspend operations in the facility but action may be required locally.	YELLOW	Limited concerns but have questions on Structural/Fire/Electrical arrangements and details.
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Remediations update

VIETNAM*



FIRE

- All factories have removed the temporary obstacles observed on the evacuation pathways
- 67% of the factories have remediated the issue related to the escape path width
- 60% of the factories have removed the locking mechanism from the exit doors
- 20% of the factories have provided the overhead signages



ELECTRICAL

- All factories have removed the lint and dust from electrical panels and distribution boards
- 60% of the factories have remediated the issues regarding high temperatures of the electrical panels and distribution boards
- 40% of the factories have provided adequate earthing connections for the electrical components



STRUCTURAL

- 50% of the factories have remediated issue related to the lateral structural system
- 40% of the factories have hired a Remediation Firm to conduct detailed structural analysis based on LABS structural assessment reports and provide necessary remediation actions
- 20% of the factories have remediated the corrosion found in non-engineered structures (such as MS Shed)

**Data is from five factories where follow-up visits were conducted by the LABS team.*

INDIA*



FIRE

- 25% of the factories have installed adequate emergency lights
- 46% of the factories have removed the temporary obstacles on the evacuation pathways
- 56% of the factories have installed illuminated exit signages
- 27% of the factories have removed the locking mechanism from exit doors



ELECTRICAL

- 83% of the factories have removed lint and dust from electrical panels and distribution boards
- All factories have installed adequate warning signages for electrical components such as transformers and electrical panel rooms
- 91% of the factories have taken necessary corrective actions to reduce the high temperatures observed in electrical panels and distribution boards
- 83% of the factories have provided earthing connections for electrical components



STRUCTURAL

- 25% of the factories have remediated issues regarding cracks in beams and columns
- 50% of the factories have remediated corrosion observed in non-engineered structures
- 20% of the factories have remediated dampness found in walls

**Data is from 14 factories, where follow-up visits were conducted by the LABS team.*

The assessed factories in both countries are also taking mitigating measures to avoid previously identified situations in the future.

Trainings update

Location: Richa Fashions, NOIDA – Uttar Pradesh, India

Safety Training Firm: Confederation of Indian Industry (CII)

An advanced safety training (level 1) was conducted for LABS factory participant Richa Fashions on December 27, 2019. Approximately 30 people from the factory participated in the training – representing the factory management, OHS committee, human resources department, maintenance department and workers from the production area. The participants were made aware of the importance of safety at workplaces, guidelines for structural, fire and electrical safety as per LABS Standards, maintenance of fire preventive systems, emergency response planning and workplace precautions; which was followed by a fire evacuation drill involving all workers in the factory during the exercise.



Helpline launch

LABS Helpline was launched in Vietnam and India for the factories associated with the program in both countries. The Helpline provides the factories with a direct access to the LABS program for reporting issues related to fire, electrical and structural safety.

The Helpline numbers in both countries are toll-free and can be reached through any landline or mobile phone.

- The LABS Helpline number in Vietnam is 1800-6342 and is operational from 7 am to 9 pm. The service is available in English and Vietnamese.
- The LABS Helpline number in India is 1800-212-5227 and is operational from 8 am to 8 pm. Currently, the service is available in English and Hindi. Going forward, it will also be available in Tamil and Kannada.

The fire, electrical and structural safety issues registered through the Helpline will be forwarded to the LABS team and, based on the level of priority, will be addressed within a stipulated time.

Callers are given a Complaint ID through which they can track the progress of the issue's remediation.. For high-priority issues, callers are given advice on immediate action and emergency phone numbers of the local authorities. Any issue falling outside the purview of the LABS Initiative will be forwarded to the Brands Participants for which the factory is a supplier.

The Helpline numbers will be displayed in all factories associated with the program. Key data from the Helpline will also be published by LABS on a regular basis on the website as well as the newsletter.



What are LABS factories saying

Sireesh Kumar, General Manager - Compliance
Venkateshwara Clothing Company

Our factory is located in Bangalore, Karnataka and employs around 1,400 workers. Joining the LABS program has widened our way of thinking in identifying the critical issues related to electrical hazards and is helping us in taking proactive measures towards minimizing the hazards and risk associated with our factory.

During the LABS assessment, it was good to learn about various implications through elaborate discussions with the LABS team on electrical, fire and structural safety and its impact. We also recognize that identifying the issues of non-compliance is not enough and that we need to invest in remediation measures to complete the non-complying issues highlighted in the report.

Some of the findings of the assessment included faulty electrical installations, gadgets for replacement and high temperatures in distribution panels. We have aligned the power distribution by balancing the load and are also checking the temperatures in the distribution panel to avoid any fire accident to which it may lead.

We also learned about the loadbearing aspects of each floor and compared it to the actual load in our factory and its impact on structural safety.

The LABS assessment will further strengthen our systems and help us to plug the gaps related to electrical, structural and fire hazards.



Nguyen Thi Thao - Compliance Officer
PT Daehan Global Yen Dung JSC

There are 1137 workers in our factory. Joining the LABS program has helped us to find potential safety issues, which will help us to minimize risks and incidents and make the working conditions at our factory safer.

The LABS assessment included three independent categories - fire, electrical and structural. The assessment made us realize that small issues, if unknown or ignored, may trigger bad consequences. Hence, all findings needing urgent improvement should be acted on immediately.

The LABS Helpline also provides people in the factory the ways and means to report urgent cases. We displayed the posters and stickers that were shared with us regarding the Helpline in the factory with the opportunity to report issues. All workers in our factory are aware of the Helpline and will use it whenever necessary. We expect that by being a member of the program, we will be able to make our factory safer in terms of fire, electrical and structural safety.

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LABS is committed to transparency and, along with this newsletter will also publish results regularly on the Website: www.labsinitiative.com

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