

Quarterly Newsletter



Issue 6

April 2021



Dear All,

We hope this first quarter of 2021 finds you well and returning to normalcy!

We started this year with yet another milestone as the LABS fire safety assessment methodology was accepted by the Ministry of Construction (MOC) and incorporated into the government's guideline for apparel and footwear factories in Vietnam.

With new factory nominations incoming this year, we resumed full-scale operations and the cooperation received from Brands and Factories has been commendable. LABS India organized the first hybrid National Stakeholder Committee meeting of the year where the discussions centered on creating a sustainable model, building local capacity, sharing responsibilities, and optimizing leverage to drive and sustain progress around safety.

Towards the end of March, India experienced a spike in COVID-19 cases, which is being closely monitored. While this situation is a constantly evolving, we continue to progress with caution in our operations and remind all of you to remain safe and take necessary precautions at all times. Please find below an overview of LABS' activities for last quarter.



153

Factories onboarded

India: 49
Vietnam: 104



137

Assessments conducted

India: 42
Vietnam: 95



113

Safety training conducted

India: 25
Vietnam: 88



352,580

Workers reached

India: 57,690
Vietnam: 294,890

IN THIS ISSUE

1. Operations Update India
2. Operations Update Vietnam
3. Quarterly Helpline Updates
4. Major Incidents in the Quarter
5. What the workers are saying

Operations quarterly update

INDIA



1. Assessments

LABS conducted six assessments and one Quality Assurance (QA) assessment during the quarter.

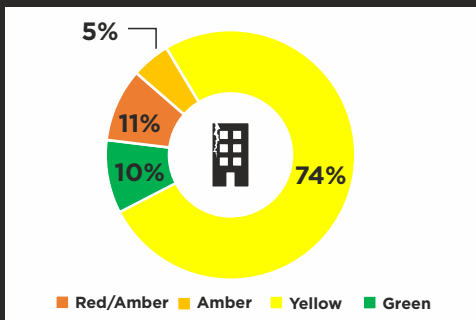
Factories assessed

- Chelsea Mills LLP, Gurgaon, Haryana
- Yellow Jerseys LLP, Chennai, Tamil Nadu
- Jeans Knit Private Limited [JKPL 7], Bengaluru, Karnataka
- Shahi Exports Pvt. Ltd. – Unit E10, Noida, Uttar Pradesh
- Richa Fashion Private Limited, Noida, Uttar Pradesh
- R And A Silk International, Noida, Uttar Pradesh

Factory in which QA assessment was conducted:

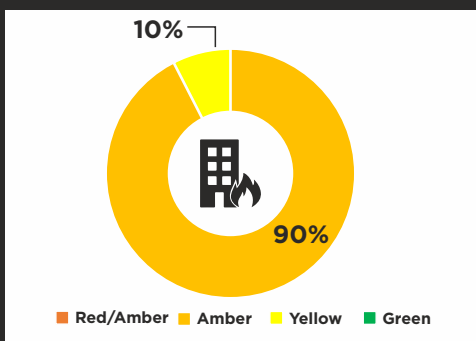
- Yellow Jerseys LLP, Erode, Tamil Nadu

Key Findings, in particular, included:



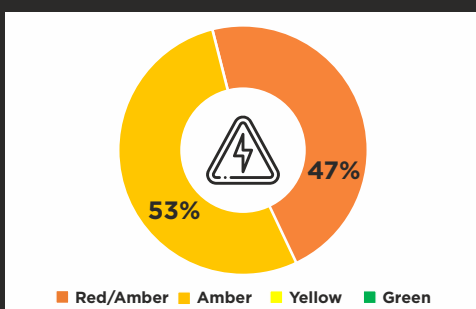
Structural Safety

- Uncontrolled storage at various floors without any load plans
- Internal column at basement level were moderately stressed as per FOS calculations
- Damaged base of non-engineered steel column identified
- Missing documentation (e.g. structural diagrams, geo-technical reports, single-line diagrams, floor-load plans)



Fire Safety

- Non-sprinklered warehouse area with excessive storage and no fire-rated doors to separate from production area
- Lockable devices installed on exit doors
- Flammable material on staircases
- Rolling shutters installed at emergency exits



Electrical Safety

- Lightning protection system not installed at the building
- Body-frame earthing not provided to floor-wise distribution boards, metal rack for batteries, and switch boards
- Inadequate backup for emergency lighting on escape routes
- Electrical insulating mats not provided in front of several electrical panels
- Multiple hotspots with temperature varying from 50°C to 149°C

2. Remediations



Fire Safety:

- 67% of the factories installed emergency lights
- 68% of the factories removed temporary obstacles on the evacuation pathways
- 75% of the factories installed illuminated exit signages
- 39% of the factories eliminated locking mechanisms from exit doors



Electrical Safety:

- 93% of the factories removed lint and dust from electrical panels and distribution boards
- 94% of the factories took necessary corrective actions to reduce the high temperatures in the electrical panels and distribution boards
- 94% of the factories provided earthing connections for the electrical components



Structural Safety:

- 44% of the factories remediated issues related to cracks in beams and columns
- 33% of the factories remediated corrosion in non-engineered structures, such as MS shed
- 55% of the factories rectified dampness in walls

(Data given is from 21 factories where 37 follow-up visits were conducted through March 31, 2021.)

3. Safety Trainings

Advanced Safety Training Level-1 sessions were provided for 2 factories this quarter

Level 1:

- Chelsea Mills LLP, Gurgaon
- Jeans Knit Private Limited [JKPL 7], Bengaluru

A total of 49 people participated in the safety-training sessions, with representatives from factory management, OHS committee, HR and maintenance departments, and workers.

4. National Stakeholder Committee

LABS National Stakeholder Committee guides the program's development and helps identify and address challenges and opportunities while promoting the importance of safety for workers. The Committee steers LABS towards working with local governmental partners to deliver the adaptation and administration of harmonized standards to government for their incorporation into legislative policy and framework.

The **LABS National Stakeholder Committee - India** meeting was held March 24, 2021. The committee comprises of:

- **Mrs. Rita Menon**, Ex-Secretary, Ministry of Textiles, Government of India
- **Prof. (Dr.) Virendra Kumar Paul**, Dean - Planning and Development (School of Planning and Architecture)
- **Mr. S.K. Dheri**, Ex-Chief, Department of Delhi Fire Services, Government of India
- **Mr. Anand Kumar**, CEO, Change Alliance
- **Mr. Atul Kumar Jain**, Executive Director - (Civil), Telecommunications Consultants India Limited (TCIL), Government of India
- **Mr. Suwendu Mahapatra**, Director, Textile Committee, Confederation of Indian Industry (CII)

Key areas of discussions included: the roadmap for embedding LABS into local and national legislative framework, increasing LABS uptake, evolving the LABS program and its scope of services, and enabling a higher remediation rate at factories.

VIETNAM



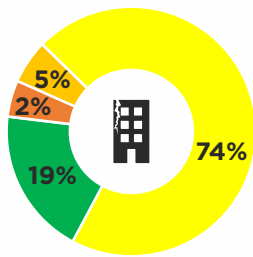
1. Assessments

LABS conducted 18 assessments during the quarter.

Factories assessed:

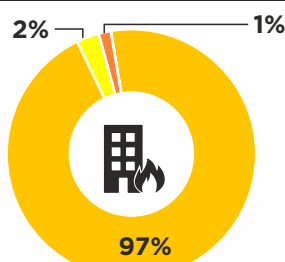
- Alena Vietnam Footwear Limited
- Colltex Garment Mfy Co., Ltd.
- Duc Tranh Import Export Company Limited
- Eclat Textile Co., Ltd. (Vietnam)
- Eco Way Knitwear Co., Ltd.
- Ha Phong Export Garment Joint Stock Company
- Hansoll Vina Co., Ltd.
- Leader Garment (Vietnam) Co., Ltd.
- Manufacturing Sportswear Joint Stock Company - Thai Binh Branch - Factory No. 7
- Minh Anh Khoai Chau Garment Joint Stock Company
- NYG (Vietnam) Co., Ltd.
- Precious Garments (Vietnam) Co., Ltd.
- SEYONG INC. CO., LTD. (CONG TY TNHH SEYOUNG INC.)
- Soto Co., Ltd.
- Sun Jade Vietnam Footwear Ltd.
- Sung Hwa Vina Co., Ltd.
- Unisoll Vina Co., Ltd.
- Vina Aron Co., Ltd.

Key Findings, in particular, included



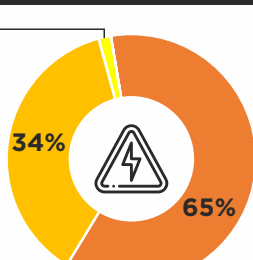
Structural Safety

- Multiple cracks at the bottom surface of the floor slabs in the factories
- Uncontrolled load on factories' floors
- Corrosion on external steel frames
- No column bracing in the warehouse building



Fire Safety

- Overhead signage was not provided at endpoints indicating directional changes
- Locking mechanisms were installed on exit doors
- Sliding doors were used on the escape path of the first-floor main warehouse
- No fire detection system in QA room of Workshop D2



Electrical Safety

- High temperature points inside the panels
- Inadequate protective earthing (PE) connections
- Improper protection coordination between cables and protection devices
- No overload device for ventilation fans

2. Remediations



Fire Safety Issues

- 96% of the factories eliminated temporary obstacles on evacuation pathways
- 68% of the factories provided additional emergency lighting
- 56% of the factories installed additional fire detectors
- 35% of the factories remediated issues related to the exit doors



Electrical Safety Issues

- 97% of the factories removed lint and dust from electrical panels and distribution boards
- 88% of the factories remedied the high-temperature concerns in electrical panels and distribution boards
- 77% of the factories remediated issues related to the supplies to life-safety systems
- 59% of the factories provided PE connections



Structural Safety Issues

- 49% of the factories remediated issues related to the vertical structural system
- 51% of the factories rectified the visible distress in structural members
- 38% of the factories added or tightened bracings for the lateral structural system in their steel buildings

(Data is provided from 63 factories where 91 follow-up visits were conducted through March 31, 2021.)

3. Safety Trainings

Safety-training sessions were provided for 27 factories this quarter

Basic Level:

- Quang Viet (Long An) Co., Ltd.
- Vina Aron Co., Ltd.

Level 1:

- | | | |
|--|--|---|
| • An Hung Joint Stock Company - An Thinh Factory | • Manufacturing Sportswear Joint Stock Company - Thai Binh Branch - Factory No. 6 (MXP6) | • Viet Thanh Garment And Trading Company Limited [Gia Binh Factory] |
| • Duc Thanh Garment Import-Export Co., Ltd. | • Manufacturing Sportswear Joint Stock Company - Thai Binh Branch - Factory No. 7 (MXP7) | • VINHTHINH TRADING GENERAL JOINT STOCK COMPANY |
| • Eco Way Knitwear Co., Ltd. | • Manufacturing Sportswear Joint Stock Company - Thai Binh Branch - Factory No. 8 (MXP8) | • A First Vina Co., Ltd. |
| • G&G Fashion (Vietnam) Co., Ltd. | • Minh Anh Khoai Chau Garment Joint Stock Company | • CPPC Outdoor Wear (Vietnam) Co., Ltd. |
| • Golden Star Company Limited, Stella | • Nobland Vietnam Co., Ltd. 2 | • Dai Nghia Garment Export Co., Ltd. |
| • Ha Phong Export Garment Joint Stock Company | • Pro Kingtex Vietnam Co., Ltd. | • EINS VINA Co., Ltd. |
| • Manufacturing Sportswear Joint Stock Company - Thai Binh Branch - Factory No. 1 (MXP1) | • Unisoll Vina Co., Ltd. | • Hansae TN Co., Ltd. |
| | | • Sun World Garment Co., Ltd. |
| | | • Yakjin Sai Gon Co., Ltd. |

Level 2:

- Kwang Viet Garment Company Limited
- Pou Yuen Vietnam Co., Ltd. [D3]

A total of 554 people participated in the safety-training sessions, with representatives from factory management, OHS committee, HR and maintenance departments, and workers from the production areas.

Helpline updates for the quarter

In India, one non-LABS call was received; the caller wanted to speak to someone from LABS management directly. When contacted later, he said the issue was resolved without providing any additional details.

In Vietnam, 41 calls were received, all of which were Non-LABS cases.

- Seven were zero-tolerance cases related to employment contracts, manager attitude, and overtime.
- The remaining 34 calls were non-zero tolerance and related to bonuses, discipline, embezzled wages, employment contracts, insurance, leave, lunch meals, manager attitude, occupational health and safety, overtime, and a general query related to factory and LABS Helpline.
- The cases were shared with the Factory as well as the Brand to which the factory supplies.

Quarterly major incidents in the apparel and footwear sectors

1. **February 5, 2021** - Kolkata, India: A fire broke out in a West Bengal jute mill. Three fire trucks doused the fire, for which a short circuit was suspected. No casualties were reported.
2. **February 27, 2021** - Pratap Nagar, Delhi, India: A massive fire erupted at a bags and accessories factory. Forty workers were reported inside the premises when the fire broke out; 28 fire engines rushed to the scene where an LPG cylinder exploded. One person was killed and two were injured.
3. **March 12, 2021** - Delhi, India: Fire broke out at a garment factory in Okhla. Fifteen fire engines were called into service. The cause of the blaze is unknown; no casualties were reported.
4. **January 3, 2021** - Central Vietnam: A fire was reported at Tam Quan factory, in which the material storage and office areas were burned down. No casualties were reported.
5. **March 5, 2021** - South Vietnam: A 1,500m² building was burnt down as a result of a fire at My Tu factory. No casualties were reported.
6. **March 27, 2021** - North Vietnam: A fire erupted at Ivory Trieu Son. As a result, a 5,000m² was building burned down. No one was hurt or injured.

Sources: *Times of India, NDTV, India Today, Thanh Nien, VOV.vn*



Fire Incident at Ivory Trieu Son factory, North Vietnam



Fire at a garment factory in Okhla, Delhi

What the workers are saying



“ I know about LABS Initiative and the LABS Helpline number. In case of any problem observed in a factory related to fire, electrical, and structural safety, I will report the issue on this number. The Helpline number is displayed in our shop floor as well. ”

Satish KC

Finishing/Helper, Arvind Limited, Bengaluru



“ By joining the LABS program, we have realized that LABS helped us to improve our safety system on electrical, fire, and structural. The Inspection Firm and LABS team have found out the safety issues in the factory and also supported us during the remediation process by (providing) technical advice. Besides that, the LABS safety-training session helped us to improve our capacities related to the building safety as well. ”

Ruby Nguyen

Compliance Supervisor, G&G Fashion (Vietnam) Co., Ltd.



LABS Secretariat

Arthur van Schendelstraat 500, 3511 MH Utrecht
P.O. Box 1241, 3500 BE Utrecht

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

For any questions or comments,
please email at: info@labsinitiative.com

Disclaimer of Liability

The LABS Foundation does not make any representation, warranty, claim or undertaking, express or implied, as to the accuracy, reliability, completeness or reasonableness of the information or content provided in this newsletter. Accordingly, LABS Foundation expressly disclaims liability for errors and omissions in the contents of this newsletter and cannot be held liable for any loss or damage (whether direct, indirect or consequential) suffered by any person as a result of relying on any statement or information contained in or omitted from this newsletter.

Copyright Statement

© 2021 by LABS Foundation. All rights reserved. All content within the LABS newsletters is the property of LABS Foundation unless otherwise stated. No part of the newsletter may be reproduced, transmitted or copied in any form or by any means without the prior written consent of the LABS Foundation.