

# Quarterly Newsletter



Issue 10

April 2022



We hope you are keeping well!

LABS achieved yet another milestone by onboarding over 250 factories across its countries of operation. We maintain a steady state of operations at factories in India. Due to a sharp increase of COVID-19 cases in Vietnam, LABS processes at factories (e.g., assessments, follow-up visits, safety trainings, and remediation) diminished in line with the National Government Directives. LABS processes are gradually resuming albeit online at factories as and when possible. We continue to progress with caution in our operations and remind you to remain safe and always take necessary precautions.



**273**

**Factories onboarded**

India: 105  
Vietnam: 168



**265**

**Assessments conducted**

India: 104  
Vietnam: 161



**321**

**Safety training conducted**

India: 93  
Vietnam: 228



**572,972**

**Workers reached**

India: 132,643  
Vietnam: 440,329

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# Operations Quarterly Update

## INDIA



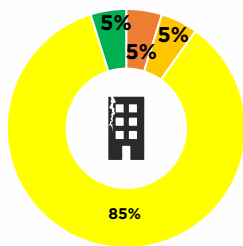
### 1. Assessments

This quarter, two assessments were conducted in India.

1. Pratibha Syntex – Unit 2

2. Pratibha Syntex – Unit 6

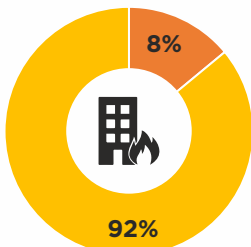
### Key Findings, in particular, included:



Red/Amber Amber Yellow Green

#### Structural Safety

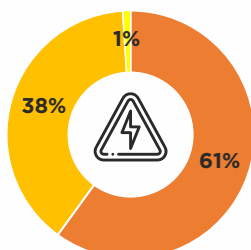
- Exposed reinforcement in roof slabs
- Uneven floor-load distribution on mezzanine floor
- Cracks on main beam
- Seismic bracing not provided for storage racks
- Missing documentation including, but not limited to structural diagrams, geo-technical reports, floor-load plans



Red/Amber Amber Yellow Green

#### Fire Safety

- Fire-safety rolling shutters on exit doors
- Lockable devices installed on exit doors
- Fire-rated separation not provided for elevator shafts
- Alternate escape route not provided for the mezzanine floor
- Fire-rated doors and fire-rated enclosures not provided at staircases
- Combustible goods stacked near electrical sources
- Water-storage capacity inadequate for firefighting purposes
- Inadequate fire/smoke detection and firefighting systems



Red/Amber Amber Yellow Green

#### Electrical Safety

- Inadequate back-up for emergency lights
- Lighting protection system not installed
- Cable dressing inadequate inside electrical panels and distribution boards (DBs)
- Alternate backup power not provided for fuel pump
- Sufficient access and working space lacking in front of DBs; fabric storage found in front of DBs
- Earthing to distribution boards, MS roof truss, transformer fencing, and battery bank racks not provided
- Heavy lint and dust inside distribution boards/switchboards
- Numerous hotspots with temperatures varying from 58°C to 162°C

## 2. Remediations

The following data represents 54 factories where 84 follow-up visits were conducted.



### Fire Safety:

- 82% of the factories installed emergency lights
- 90% of the factories removed temporary obstacles on the evacuation pathways
- 89% of the factories installed illuminated exit signages
- 73% of the factories eliminated locking mechanisms from exit doors



### Electrical Safety:

- 94% of the factories removed the lint and dust from electrical panels and DBs
- 94% of the factories reduced the high temperatures in electrical panels and DBs
- 96% of the factories provided PE connections for electrical components



### Structural Safety:

- 51% of the factories corrected issues relating to cracks in beams and columns
- 72% of the factories remediated the corrosion in non-engineered structures (such as MS Shed)
- 66% of the factories rectified the dampness in walls





### 3. Safety Trainings

Twenty-nine Safety Trainings were conducted during Q1, 2022.

#### Basic Level:

- Anand Textiles LLP
- Royal Classic Mills Pvt., Ltd. - Unit V
- Penguin Apparels (P) Ltd. - Unit IV
- Texport Apparel LLP

#### Level 1:

- Indian Designs Exports Pvt., Ltd. - Unit 5
- Laguna Clothing Pvt., Ltd.
- Shahi Exports Pvt., Ltd. - Unit 27
- Shahi Exports Pvt., Ltd. - Unit 46
- Shahi Exports Pvt., Ltd. - Unit 22
- Shahi Exports Pvt., Ltd. - Bhubaneswar
- BN Enterprises
- Royal Classic Mills Pvt., Ltd. - Unit VI
- Shri Ajay Knittex LLP
- Pratibha Syntex - Unit 2
- Pratibha Syntex - Unit 6
- Elangovan Tex LLP
- Dhana Textiles LLP
- Silver Spark Apparel Ltd.

#### Level 2:

- Shahi Exports Pvt., Ltd. - Unit C35
- Shahi Exports Pvt., Ltd. - Unit IP1 (F1)
- Shahi Exports Pvt., Ltd. - Unit E10
- Shahi Exports Pvt., Ltd. - Unit 9
- A. V. Thomas Leather & Allied Products Pvt., Ltd. (Guindy Unit)
- Jay Jay Mills (India) Pvt., Ltd. (Garments Division)
- Ambattur Fashion India Pvt., Ltd. - D15 and D16
- Ambattur Fashion India Pvt., Ltd. - B9
- Pee Empro Exports Pvt., Ltd. - 12/2
- Matrix Clothing Pvt., Ltd. - PLOT-197
- Matrix Clothing Pvt., Ltd. - UNIT 2

There were 628 participants in the Safety Training sessions with representatives from factory management, the OHS Committee, HR and maintenance departments, and workers from the production area.



# VIETNAM



## 1. Assessments

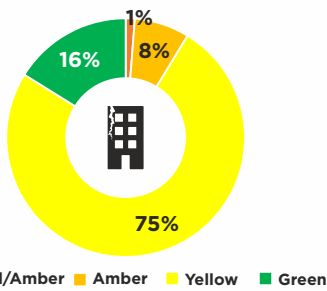
Eleven assessments and three QA assessments were conducted at the following factories in Vietnam during the quarter.

- |   |   |    |  |
|---|---|----|--|
| 1 | GreenTech Headgear Co., Ltd.                            | 6  | Ocean Ken International Co., Ltd.      |
| 2 | Vietnam Kin Yip Bags & Hats Manufactory Company Limited | 7  | Tainan Enterprises (Vietnam) Co., Ltd. |
| 3 | Oasis Garment Co., Ltd. (Vietnam)                       | 8  | VMC Royal Co., Ltd. (Tay Ninh)         |
| 4 | Greentech Headgear Co., Ltd. (Dong Nai) - Branch 1      | 9  | Nahal Vina Co., Ltd.                   |
| 5 | Hung Way Co., Ltd.                                      | 10 | Esprinta (Vietnam) Co., Ltd.           |
|   |   | 11 | TAN DE 9                               |

### QA assessments

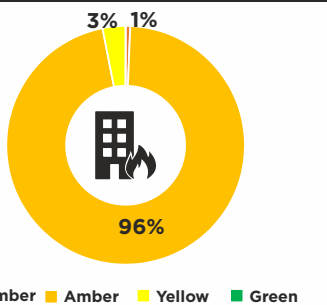
- |   |                                       |   |                                      |
|---|---------------------------------------|---|--------------------------------------|
| 1 | Starite International Vietnam Limited | 3 | New Wide Garment (Vietnam) Co., Ltd. |
| 2 | First Team (Vietnam) Garment Ltd.     |   |                                      |

### Key findings included:



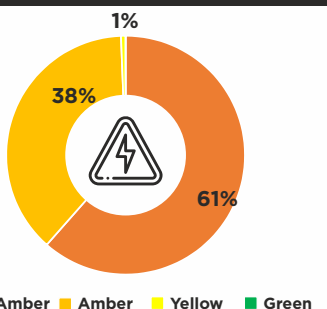
#### Structural Safety

- Missing as-built drawings
- No allowable load posted on the second floor of building
- Severe corrosion on steel columns
- No column bracing in the warehouse building



#### Fire Safety

- No enclosures for exit stairs
- Lack of fire-rated construction for high-risk areas
- Overhead signages missing from escape paths
- No fire-detection system in production areas



#### Electrical Safety

- High temperature points inside panels
- Inadequate PE connections
- Improper protection coordination between cables and protection devices
- Single-line diagram not updated

## 2. Remediations

The following data represents 126 factories where 230 follow-up visits were conducted.



### Fire Safety:

- 100% of the factories removed temporary obstacles on evacuation pathways
- 84% of the factories provided additional emergency lighting
- 70% of the factories installed additional fire detectors
- 59% of the factories remediated issues related to exit doors



### Electrical Safety:

- 95% of the factories eliminated lint and dust from electrical panels and DBs
- 94% of the factories remediated the high temperatures in electrical panels and DBs
- 94% of the factories rectified issues related to the Supplies to Life safety systems
- 72% of the factories provided PE connections



### Structural Safety:

- 74% of the factories remediated missing/incomplete bracings in steel building
- 70% of the factories repaired the visible distress in structural members such as cracks
- 66% of the factories provided Allowable Loading Plans throughout the factory building





### 3. Safety Trainings

A total of 39 Safety Training sessions were conducted this quarter.

#### Basic Level:

- Daehan Global Thanh Hoa Co., Ltd.
- Hung Long Garment and Service Joint Stock Company
- Crystal Sweater Vietnam Ltd.
- Nomura Thanh Hoa Garment Co., Ltd.
- Tainan Enterprises (Vietnam) Co., Ltd.
- Hoa Tho Textile Garment Joint Stock Company
- Ocean Ken International Co., Ltd.

#### Level 1:

- Viet Pan Pacific Thanh Hoa Co., Ltd.
- Son Ha Duy Xuyen Ltd., Co.
- Makalot Garments (Vietnam) Co., Ltd.
- Green Shoes Vietnam Enterprise, Ltd.
- South Asia Garments Ltd.
- Viet Tri Garment Joint Stock Company
- Pro Sports Giao Thuy Joint Stock Company - Pro Sports Hong Thuan Factory
- Vietnam Jin Chang Shoes Co., Ltd.
- New Wide Garment (Vietnam) Co., Ltd.
- Wingsburg Vietnam Co., Ltd. (2060600)
- Triple Garment (Vietnam) Co., Ltd.
- Pro Sports Giao Thuy Joint Stock Company
- Branch of Phong Phu International Joint Stock Company - Phong Phu - Quang Tri Export Garment Factory
- Alena Vietnam Footwear Limited
- Yi Feng Footwear Joint Venture Co., Ltd.
- Branch 1 - Greentech Headgear Co., Ltd. (Dong Nai)

#### Level 2:

- Starite International Vietnam Limited
- Ha Phong Export Garment Joint Stock Company
- DAI NGHIA Garment Export Co., Ltd.
- Pungkook Saigon II Co., Ltd.
- An Hung Joint Stock Company - An Thinh Factory
- Texhong Thai Binh Garment Co., Ltd.
- Minh Anh Khoai Chau Garment Joint Stock Company
- Pungkook Ben Tre One Member Co., Ltd.- My Tho Branch
- Michigan Haiduong Co., Ltd.
- Footgearmex Footwear Co., Ltd.
- A First Vina Co., Ltd.
- Chutex International (Long An) Co., Ltd.
- DAI NGHIA Garment Export Co., Ltd.
- Golden Star Co., Ltd. (Stella)
- NYG (Vietnam) Co., Ltd.
- Sung Hwa Vina Co., Ltd.
- Formostar Garment (Vietnam) Co., Ltd.

There were 700 participants in the Safety Training sessions, including representatives from factory management, the OHS Committee, HR and maintenance departments, and workers from the production area.



# CAMBODIA



The Cambodia office setup is complete and the groundwork is ongoing to commence LABS operations and to conduct a public launch on May 18, 2022. Activities were initiated to create an enabling environment for technical aspects (including, but not limited to onboarding Inspection Firms, Remediation Firms, Safety Training Firms, Quality Assurance Firms, and the worker's Helpline) and connect with relevant country-specific stakeholders. The final draft of LABS Methodology and Standards is complete and was shared with the LABS Steering Committee for final review and approval.

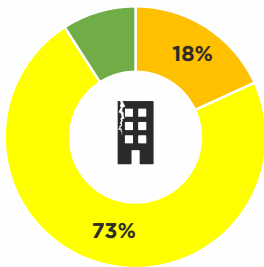
## 1. Assessments

Eleven pilot assessments were conducted in Cambodia during Q1, 2022.

1	Makalot Garments (Cambodia) - Branch 1	7	Nyan Kids (Cambodia) Ltd. 1
2	Wincam Corporation	8	Cambo Handsome Ltd.
3	Sees Global (Cambodia) Co., Ltd.	9	Yakjin (Cambodia) Inc.
4	Carlinton (Cambodia) Co., Ltd.	10	YTC Corporation
5	CPCG International Co., Ltd.	11	Cam Forever Co., Ltd.
6	T & K Garment Industry Co., Ltd.		

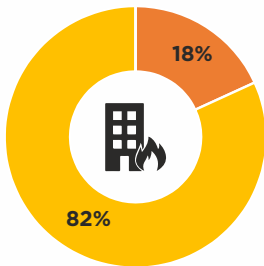
### Key findings included:

Phases 1, 2, and 3 of the pilot assessments were completed at 11 factories on February 18, 2022.



#### Structural Safety

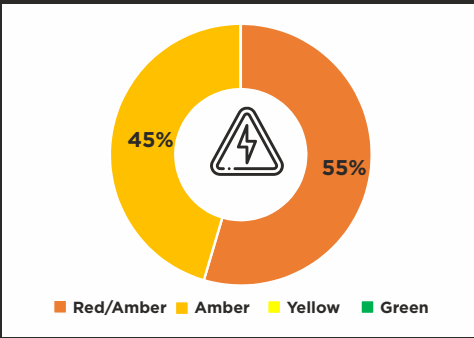
- Undersized column-supporting roof truss
- Multiple corroded steel columns and canopies
- Cracks in non-structural wall
- Uneven floor-load distribution on suspended floors
- Inadequate bracing for boiler heating vents
- Missing documentation, such as structural diagrams, geotechnical report, and floor-load plans



#### Fire Safety

- Evacuation pathways blocked due to temporary storage
- Lockable devices installed on exit doors
- Missing fire-rated doors and fire-rated enclosures at staircases
- Smoke detector malfunctions
- Handrails not provided on both sides of staircase





### Electrical Safety

- Inadequate power backup for emergency lights
- PE not provided to DBs, electrical panels, fuel tank, etc.
- Combustible material stored near electrical sources
- Heavy lint and dust inside switchboards and DBs
- Maintenance records not available for substation generators, electrical panels, lightning protection system, etc.

## Key meetings

1. February 2, 2022. A meeting with ILO – Better Factories Cambodia and Ms. Sara Park, Program Manager was held to better understand points of collaboration and engagements with various ministries such as the Ministry of Land Management, Urban Planning and Construction (MLMUPC), Ministry of Labour and Vocational Training (MoLVT), and Ministry of Commerce (MOC)).
2. February 2, 2022. A meeting with (His Excellency) Chhe Lidin, Director General, Department of General Affairs, Ministry of Mines and Energy (MME) transpired to discuss opportunities for potential collaboration and streamlining policies and standards across various ministries such as Ministry of Mines and Energy (MME), Ministry of Economy and Finance (MEF), and MLMUPC.
3. A multi-stakeholder Consultation Workshop was conducted on January 12, 2022 to table and discuss LABS Standards and Methodology (Cambodia).
  - 87 participants from 35 organizations were represented
  - Key organizations included: Ministry of Interior – Fire Police; MoLVT; MLMUPC; National Quality Inspection Center for Fire Safety Systems (NICS); Phnom Penh Municipal – Fire Police; International Labor Organization, Better Factories Cambodia; and Cambodian Garment Training Institute
  - Key apparel brands: H&M, Amazon, Nike, Li & Fung, and Kontoor, as well as representatives from coalition partners
  - Outcome
    - Consultations will be made with the Department of Construction and the Department of Occupational Safety and Health (OSH) to align the draft Cambodia National Standards with LABS Standards and Methodology
    - Inputs received will be incorporated into the final version of the LABS Standards and Methodology for Cambodia, which will be adhered to beginning with the pilot phase of the program



## Outreach

Brand outreach continues to be the focus with an objective to strengthen the coalition and enable more brands and factories to follow common standards and adopt to sustainable business practices. LABS Secretariat is following up with previously outreached brands (Mountain Equipment Company, PUMA, Hanes, Amazon, and Nike) at the corporate level regarding next steps and further engagements.

## Helpline Quarterly Updates

### India

- Received one LABS non-zero tolerance call regarding electrical safety
  - Exposed live wires
- Received one non-LABS, non-zero tolerance call regarding work policy
  - Worker was transferred to another department then resigned

### Vietnam

- Received 22 non-LABS, non-zero tolerance calls
  - Four related to COVID-19 (including vaccination support by factory, test fee, and prevention policy)
  - Twelve related to wages (e.g., factory support calculation, postnatal care policy, insurance, factory loan, and salary increase)
  - Five calls related to work environment (drinking water, working area temperature)
  - One OT issue

Helpline materials were sent to eight new factories and seven renewal factories.

## Major quarterly incidents

### Cambodia

In Q1, Cambodia reported five accidents with neither casualties nor injuries in the apparel and footwear industry.

1. **January 14, 2022.** A fire, caused by short circuit, occurred at an unknown bags factory in Ang Snuol, Kandal province
2. **January 21, 2022.** An electrical short circuit caused a fire to level a storage facility at Outdoor Gear (Cambodia) Company Apparel/Jeans Factory in Takeo province
3. **February 6, 2022.** Fire at Smart Shirt, an apparel factory in Kong Pisey, Kampong Speu province erupted on factory land within a makeshift storage shaft by a construction company.
4. **February 24, 2022.** A fire, caused by an electrical shortage, was reported at an unknown bags factory in Phnom Sruoch district, Kampong Speu province
5. **March 10, 2022.** Chom Chao, Porsenchey Phnom Penh. A fire was caused by an electrical short circuit at Yongxin Bag factory

Sources: Khmer Times, Phnom Penh Post, Ministry of Interior/Fire Police Facebook page, Fresh News

## Vietnam

Vietnam experienced one accident in the apparel and textile industry.

1. **January 9, 2022.** A fire, causing a 300sqm building to burn down was reported at a Thien Nguyen Thanh factory (South Vietnam). There were no injuries.



Source: <https://www.baodongthap.vn/xa-hoi/chay-cong-ty-may-tai-xa-tan-quoi-huyen-thanh-binh-103087.aspx>



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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](http://www.labsinitiative.com)

For any questions or comments,  
please email at: [info@labsinitiative.com](mailto:info@labsinitiative.com)

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