

powered  
by



# Quarterly Newsletter

April 2020



We hope this message finds you well and in good health. We realize this second quarterly LABS Initiative newsletter reaches you during a very difficult time. The COVID-19 crisis is impacting us all, and we are in touch with many of our partners to see how we can weather this storm together. In the interim, we will share with you an overview of the latest activities to date. Until very recently, the program has made steady progress in assessing the building safety of factories in India and Vietnam, while exploring opportunities to scale its operations in Cambodia. As we now see a slowdown due to the COVID-19 situation, we are continuing our work on the backbone of the initiative. We are increasing the transparency of our work and will continue to improve and update our communications with the wider sector. Please take a look at all of the information below and feel free to reach out in case of any questions or recommendations.

## In this issue

- |                                   |   |
|-----------------------------------|---|
| 1. Assessments                    | 2 |
| 2. Orientations                   | 3 |
| 3. Remediations update            | 4 |
| 4. Trainings update               | 4 |
| 5. Helpline Update                | 5 |
| 6. What are LABS factories saying | 6 |



Factories onboarded

99

India: 36  
Vietnam: 63



Workers reached

231,754

India: 47,496  
Vietnam: 184,158



Assessments conducted

71

India: 30  
Vietnam: 41

# Assessments

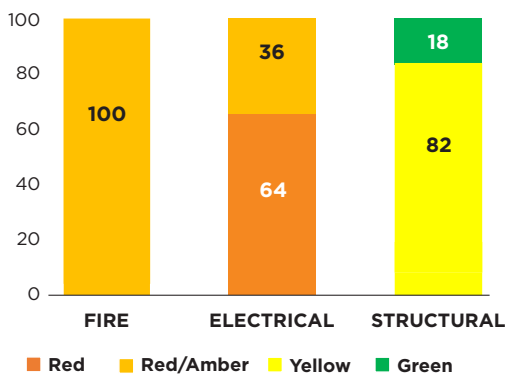
Upon enrolling in LABS, the Brand Participants disclose their supplier factories, which are then onboarded onto the program by the LABS team. Next, the team schedules assessments for the factories. Once the assessment has taken place and issues have been identified, these will be presented and shared 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 11 factories have been assessed under the program from January 1, 2020 to March 31, 2020.

Factories assessed: CPPC Outdoor Wear (Vietnam) Co. Ltd.; Delta Galil Vietnam Co. Ltd.; Jia Hsin Co. Ltd. ; May Hai Joint Stock Company - Tan Lien Factory; Song Hong Garment JSC - Song Hong Nghia Hung branch(Factory 15, 16, 17, 18); Quang Viet (Tien Giang) Co. Ltd.; S&H VINA Co. Ltd.; Sees Vina Co Ltd.; Shinwon Ebenezer Ha Noi Co. Ltd.; Song Hong Garment JSC (Factory 3,4,5,6); Youngone Nam Dinh Co. Ltd.

### Key Findings



#### 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 firefighting including limited fire detector systems were noted.
- Fire-rated separation was not provided between storage and production areas or escape paths.
- Doors in the means of egress are not the recommended side-hinged swinging type.

#### Electrical-Related Issues

- High temperatures were observed at electrical panels in all factories that were assessed.
- Earthing protection connections were not provided for electrical equipment.
- Inadequate protection devices are used for cables.
- The electrical rooms were dirty with lint, water, oil and debris.

#### Structural-Related Issues

- Significant corrosion on the steel elements were noted in all factories. They also lacked lateral bracings.
- Cracks on concrete elements was also observed in some of the factories.

#### SUMMARY OF ISSUES REQUIRING ATTENTION

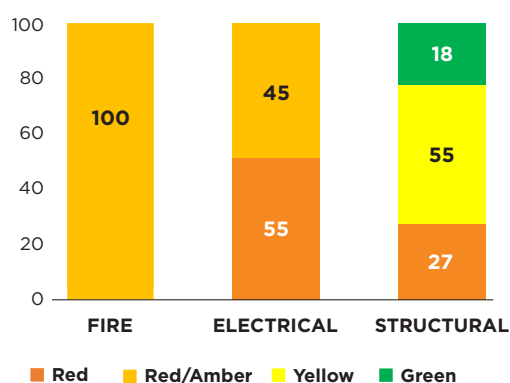
<b>RED</b>	Important IMMEDIATE actions required.	<b>RED/AMBER</b>	No reason to suspend operations in the facility but action may be required locally.	<b>YELLOW</b>	Limited concerns but have questions on Structural/Fire/Electrical arrangements and details.
------------	---------------------------------------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

# INDIA

In India, a total of 11 factories have been assessed under the program from January 1, 2020 to March 31, 2020.

Factories assessed: Nahar Spinning Mills Limited; Orient Craft Limited, 7D; Orient Craft Limited, Plot 9-13; Orient Fashion Exports (India) Pvt. Ltd.; Pee Empro Exports Pvt. Ltd.- Plot 78; Matrix Clothing Pvt Limited-Unit 2; Evolv Clothing Company- Kancheepuram; Matrix Clothing Pvt Limited - Unit 4; Evolv Clothing Company - Perungudi; Laguna Clothing LLP; Nisha Design (Hindupur).

## Key Findings



### Electrical-Related Issues

- Dust and lint had accumulated in electrical panels and cables. Corroded nut bolts were found at cable termination in electrical panels and distribution boards.
- Earthing strip joined to the underground diesel tank was broken and body earthing was not provided for battery rack in a few factories.
- High number of hotspots with temperature varying from 80°C to 222°C were detected.

### Structural-Related Issues

- Cracked walls, dampness, leakages and exposed reinforcement were observed at multiple places including columns, beams, slabs, and masonry walls.
- Documentation including Structural diagrams, Geo-technical reports and single line diagrams were missing in some factories.

### Fire-Related Issues

- Exit doors on escape paths had lockable devices and temporary obstacles. Illuminated exit signs were not available for all the emergency exits.
- Fire-rated compartmentation was missing for staircase
- Rolling shutters were installed at main emergency exits.
- Sprinkler system was not provided in packaging and fabric area.

## Orientations

### Vietnam

Three orientation sessions were conducted for 54 factories to introduce the participants to the LABS program and registration process, and also update them on the CAP and remediation processes. A total of 64 people (31 men and 43 women) participated in the sessions.

### India

A total of five orientation sessions, including in-person and online sessions, were conducted for suppliers, inspection firms and quality assurance firms on factory registration, assessments and CAP and remediation processes. A total of 56 people (49 men and 7 women) participated in the sessions.

# Remediations update

## VIETNAM\*



### FIRE

- 88% of the factories have removed temporary obstacles from evacuation pathways.
- 50% of the factories have provided additional illuminated exit signs at the exit doors.
- 25% of the factories have removed locking mechanism from exit doors.
- 23% of the factories have replaced shutter doors and sliding doors with the side hung doors.



### ELECTRICAL

- 79% of the factories have removed lint and dust from electrical panels and distribution boards.
- 67% of the factories have remediated issues related to high temperatures observed in electrical panels and distribution boards.
- 60% of the factories have provided backup power for emergency lighting and fire alarms.
- 54% of the factories have provided protection devices and cable sockets/ferrules for the cables.



### STRUCTURAL

- 33% of the factories have installed the bracings for boiler heating vents.
- 29% of the factories have remediated issues related to the vertical structural system.
- 21% of the factories have added or tightened the bracings for the lateral structural system in their steel structures.
- 15% of the factories have remediated issues related to corrosion of steel elements.

*\*Data is from 22 factories where follow-up visits were conducted by the LABS team so far.*

## INDIA\*



### FIRE

- 37% of the factories have installed emergency lights.
- 53% of the factories have removed temporary obstacles from the evacuation pathways.
- 64% of the factories have installed the illuminated exit signages.
- 25% of the factories have removed locking mechanism from the exit doors.



### ELECTRICAL

- 82% of the factories have removed lint and dust from electrical panels and distribution boards.
- 87% of the factories have taken needful corrective actions to reduce high temperatures observed in electrical panels and distribution boards.
- 87% of the factories have provided earthing connections for the electrical components.



### STRUCTURAL

- 31% of the factories have remediated issues related to cracks observed in beams and columns.
- 50% of the factories have remediated corrosion observed in non-engineered structures (such as MS shed).
- 37% of the factories have remediated the dampness observed in walls.

*\*Data is from 19 factories where follow-up visits were conducted by the LABS team so far.*

The assessed factories in both countries are working to remediate the remaining issues. They are also taking mitigating measures to avoid previously-identified situations in future.

# Safety Trainings

## Vietnam

Eleven basic-level safety trainings were conducted in LABS factory participants in Vietnam during the quarter. Approximately 220 people (163 men and 63 women) from the factories 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 fire evacuation drill.

### List of factories in which trainings were conducted:

A First Vina Co. Ltd.; Chutex International (Long An) Co. Ltd.; Eins Vina Co. Ltd.; FTN Vietnam Co. Ltd.; Ha Hae Vietnam Corp.; Hansae TG Co. Ltd.; Hansae TN Co. Ltd.; PT Daehan Global Yen Dung Joint Stock Co.; Sun World Garment Co. Ltd.; Vina Korea Co. Ltd.; Yakjin Saigon Co. Ltd.



## India

Nine advanced safety training (level-1) and one basic-level safety training were conducted in LABS factory participants in India during the quarter. Approximately 190 people (114 men and 76 women) from the factories 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 fire evacuation drill, which involved all workers.

### List of factories in which trainings were conducted:

Pearl Global Industries Limited (Plot 446); Texport Industries Pvt Ltd.- Unit IV; Pee Empro Exports Pvt. Ltd.-12/2; XLNC Fashions; SMS Exports; Orient Craft Limited; Triangle Apparel- VI; Arvind Limited; Matrix Clothing Pvt. Ltd. (Unit 197); Matrix Clothing Pvt. Ltd. (Unit 1)



## Helpline Update

LABS Helpline is available 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 issues registered through the Helpline will be forwarded to the LABS team and, based on the level of priority, are 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.

In India, the Helpline received 10 calls in total, all of which were non-LABS related. In Vietnam, 18 calls in total were received, among which 17 were non-LABS related and one was LABS-related.

**For the LABS-related issue reported in Vietnam, the worker called the Helpline to inform that she and some other workers were getting electrical sensation on fingertips when they were touching the cutting table. She had was reported to the factory authorities and root cause for identified – which was hot wire and cold wire coming in contact with each other – but the issue was not resolved. She had then called the Helpline. On receiving the complaint, LABS factory coordinator reached out to the factory management, who informed that the cutting machine's wire was loose and they have reconnected it.**

LABS is working to increase outreach at the factory level to create awareness about the Helpline, and encourage workers to use it in case there is a need.

# What are LABS factories saying

**Pham Thi Them**  
**Compliance officer - Texma Vina**

I am working at Texma Vina in Dong Nai Province, which has 970 workers. Our factory has been recently assessed by QIMA, which is an inspection firm associated with LABS. The assessment helped us to find out the potential safety issues with respect to electrical, fire and structural aspects and recommended immediate remediation actions to avoid any accidents.

In addition, LABS team conducted the follow up visit to support us on the remediation process to keep the progress on track and also ensure the quality of remediation actions. We worked with QIMA and LABS team on our CAP plan, and our concerns on assessment reports and remediation plan were also addressed by the teams. This helped us to explore options to remediate issues faster and with lesser cost.

LABS has also provided the Helpline number where our workers can anonymously report issues related to fire, electrical and structural safety as well. We have displayed the Helpline stickers and posters throughout factory and are also sharing information with the workers so they can be assured that they are working in a safe environment.



**R.S. Saroha**  
**General Manager - Orient Knits**

There are a total of 2350 workers in our factory in Gurgaon. We have joined the LABS program as we feel it will be very useful in maintaining safety at our unit. We have, in past, conducted many social as well as security audits, but LABS is unique as it focuses on physical verification along with a review of documentation.

While we feel all parts of the assessments is very important, I personally think that electrical assessment is very useful as it gives in-depth review of our electrical installation and advises on what best can be done to ensure there are no accidents.

During the assessment at our unit, some issues were brought to our notice, which we have already taken up for remediation. We also feel that the LABS Helpline will further contribute to a safe working environment. We look forward to working together with LABS to improve and upgrade working conditions in our factories.



## 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

© 2020 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.



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

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