

The following correspondence was received by way of e-mail on April 16, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Subject: Your letter of April 4th, 2014 addressing Mr. Stefan Heinig

Dear Mr. Adams,

many thanks for your letter of April 4th, 2014 addressing our former CEO Mr. Stefan Heinig, which has been forwarded to me as I am in charge with this matter. Please find enclosed our press statement on our contribution to the Rana Plaza Arrangement Donors Trust Fund. In the aftermath of the very tragic accident we started to develop projects addressing the needs of the people having suffered from the building collapse. In due course we will check with ILO if these projects can be offset with the Fund. At the same time we very much appreciated the joint approach designed and controlled by ILO. As one of the first brands we made a contribution to the fund and – this to hopefully instigate others - made our contribution public even telling the amount. Nonetheless we felt that we had to cling to our projects as our partners already had invested a lot of work and the Donors Trust Fund will only work efficiently, if many brands sourcing in Bangladesh will support it.

Please let me have your findings on this issue and get back to me in case of any further questions.

Many kind regards

Britta Schrage-Oliva

Sustainability affairs officer

KIK Textilien und Non Food GmbH



Press Release

KiK supports Rana Plaza victims with US \$ 1 Million

Bönen, April 2nd 2014. KiK provides US \$ 1 Million to support the victims of the biggest accident of the textile industry. Immediately after the devastating collapse of the Rana Plaza building on April 24th 2013, KiK allocated quick and unbureaucratic medical and therapeutical aid for the victims and their relatives.

In association with renowned Bangladeshi aid organizations textile discounter KiK developed different projects to secure a long-term support for the victims' families. Furthermore KiK supports the Rana Plaza Donors Trust Fund with a deposit of US \$ 500.000.

Although there was no direct business relation at the point of the accident, KiK wants to improve – in collaboration with other international companies, the government as well as with local NGO's – the working conditions in Bangladesh sustainably and at long-term.

About KiK:

KiK stands for "The customer is king" ("Kunde ist König"), a phrase which has been its guiding principle since it was founded in 1994. KiK Textilien und Non-Food GmbH offers good quality ladies' clothing, menswear, children's and babies' clothing at competitive, affordable prices. In addition to clothing, ranges also include gift items, toys, beauty products, accessories and household textiles. With over 3,200 branches in Germany, Austria, the Czech Republic, Slovenia, Hungary, Slovakia, Croatia, Poland and Netherlands, KiK generates revenue in excess of one billion euros each year. In Germany, the company is ranked among the top 10 clothing retailers. German customers have also had the option of ordering online at www.kik24.de since 2013.

KiK has been a supporter of the not-for-profit foundation DEUTSCHLAND RUNDET AUF since March 2012.

Internet: www.kik-textilien.com www.facebook.com/kik.de www.kik-blog.de

For further information please contact:

Joachim A. Klähn
PR representative – KiK Textilien und Non-Food GmbH
Tel.: +49 238 395 4116

The following correspondence was received by way of e-mail on April 16, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Dear Mr. Adams, Many thanks for your request. C&A and C&A Foundation continue to be deeply saddened by the Rana Plaza tragedy and remain strongly committed to the welfare of those working in the garment industry in Bangladesh.

At the time of the factory's collapse, C&A had no contractual relationship with any of the businesses in the building. No production on behalf of C&A took place in Rana Plaza during the 18 months prior to the collapse. Despite not having any production within Rana Plaza, we have still chosen to take responsibility for the welfare of those working in the garment industry very seriously.

As such, the C&A Foundation made a contribution of 500,000 Euros to the Rana Plaza Donors Trust Fund, governed by the ILO, as part of one of the Foundation's commitments to support and provide humanitarian assistance to communities in crisis through disaster relief efforts. C&A and the C&A Foundation remain fully committed to improving the working and living conditions of the garment industry in Bangladesh through a wide number of activities.

The following measures have been taken to date:

- **Extending the C&A Code of Conduct:** C&A informed its suppliers of an extension to the C&A Code of Conduct. The extension called “**C&A Supporting Guidelines to the Code of Conduct**” provides detailed and practical guidance to help ensure that working conditions in C&A’s supply chain are safe, workers are treated with respect and dignity, and the business operates in an environmentally responsible and ethical manner. C&A will conduct assessments of its suppliers’ production units to verify that they comply with these guidelines. The full cooperation of the production unit is required during the assessment. C&A experts will be granted unrestricted access to all areas within a production unit, as well as documents, records and employees.
- **Fire and Building Safety:** In May 2013, C&A was one of the first companies to sign the “**Fire and Building Safety in Bangladesh Accord**” with IndustriALL and UNI Global Union on Fire and Building Safety in Bangladesh. Furthermore, C&A participated as member of the implementation team and is also represented on the steering committee.
- **Ongoing, Intensive Fire Protection Inspections:** As part of C&A’s own “Building and Fire Safety Program,” the company is continuing to work with the auditing and certification specialists of Bureau Veritas and has completed phase one of the assessments at 236 production units in Bangladesh. Now in the second phase, production units are undergoing a full-scale revision of the assessment, which involves the building structure, building fire safety, electrical safety and fire awareness, in addition to preparedness training for fire safety. The objective is to categorize all infringements based on their risk, allowing C&A to prioritize and then implement corrective action plans. Once the company’s corrective plans have been implemented, Bureau Veritas will

conduct a technical validation assessment for an independent expert report on implementation. All production units will be assessed by the end of September 2014. Additionally, C&A was the lead sponsor of the “**International Expo on Building and Fire Safety**,” a building and safety event held for the first time in Dhaka, Bangladesh, on February 23-24, 2014.

- **Vocational Training Center:** Together with local Bangladeshi NGO, Grameen Shikha, a new Vocational Training Center, financed by the C&A Foundation, was opened in January 2014. Courses offered include industrial electrical wiring, with the aim of empowering graduates from this course to leverage their skills to help prevent future factory fires.
- **Supporting Victims of Tazreen:** C&A held a contractual relationship with **Tazreen Fashion** for the manufacturing of 220,000 sweaters delivered to C&A Brazil between December 2012 and February 2013. Since December 2012, the C&A Foundation has provided immediate monetary support to 112 families of those who have lost their lives and has created an additional fund to provide ongoing monetary support for 59 non-children dependents (fathers, mothers, brothers and sisters). Moreover, we have created a program with our partner, Caritas, that consists of education, compensation, social and psychological support. For example, we are helping 85 of the victims’ children by covering their monthly expenses and by investing in their future through an education fund. Additionally, our program provides salary, rent, medical and psychological support to 104 injured workers. Of this total, 24 workers have completely recovered and returned to work. Remaining workers continue to receive medical, psychological and salary support. The 43 injured workers who did not wish to return to the garment sector are supported with vocational training program. In total € 5 million has been made available from the C&A Foundation to enable the various measures promised in support of the victims of Tazreen, as well as a range of necessary fire safety improvements and other benefits for workers in C&A’s supply chains.
- **Sustainable Supplier Program:** An on-going Sustainable Supplier Program, was initiated in late 2011 when the C&A Foundation began an innovative, multi-year partnership and program with GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit). The program focuses on increasing efficiency (particularly through improving dialogue between management and workers), improving wages and contributing towards better social standards for all concerned workers. The Sustainable Supplier Program began with projects in Bangladesh and was being expanded in 2013 to include additional Bangladeshi suppliers.
- **Improving Living Wages:** Following the Living Wage Conference in Berlin in November 2013, C&A and other sourcing companies have committed to working together with their business partners and other important local stakeholders in developing countries, to co-create conditions which allow for the provision of best possible wages, benefits and working conditions. Specifically efforts focus on providing wages and benefits that adequately satisfy the basic needs of the workers and their families. Pursuant to this, C&A is working in collaboration with other

brands to define a set of enabling principles, in addition to an action plan dedicated to ensuring "living wages". We have also taken an active role in a tri-partite Ethical Trade Initiative forum which was held in London in January 2014 and also focused on this critical issue.

C&A Foundation is an independent charitable foundation based in Zug, Switzerland. While an independent entity, we are inspired by the same values and concern for sustainable and inclusive development that are at the heart of what C&A stands for. Through funding, partnerships, and our convening power, the C&A Foundation aspires to have a positive impact on the lives of the millions of people worldwide who contribute to the apparel industry.

We care and are continuously working to provide safer working environments and appropriate conditions in production countries. The challenges the apparel industry in general faces are big and require big solutions; solutions no single organization can solve. Every day the C&A Foundation commits to creating a positive impact on the lives of the millions of people worldwide who contribute to the apparel industry. We realize that there still is a long way to go and welcome feedback and dialogue with like-minded partners. C&A and C&A Foundation are convinced that through the joint effort of textile companies, suppliers, political authorities and NGOs, comprehensive improvements in the garment industry in Bangladesh can succeed.

I would welcome the opportunity to engage directly with Human Rights Watch on this topic.

With best regards,

Leslie Johnston

LESLIE JOHNSTON | EXECUTIVE DIRECTOR OF C&A FOUNDATION

The following correspondence was received by way of e-mail on April 15, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Dear Mr Adams,

Thank you for your recent letter regarding the assistance provided to the survivors of the Rana Plaza tragedy.

You are right to observe that we have made a donation to the ILO-managed Rana Plaza Donors Trust Fund. Prior to this we were also one of the first companies to make a contribution to the BGMEA Disaster Relief Fund.

As a small UK-headquartered company we conduct all our activities in Bangladesh via third party agents. They have been key in helping us make donations and updating us on the work being done to help those affected by the tragedy.

Since the factory collapse we have focussed on both assisting victims and their relatives as well as ensuring other factories we use are safe for the people who work in them.

Although we're not disclosing the size of our donations, we believe making them via the BGMEA Disaster Relief Fund and the ILO-managed fund are the most effective way to ensure funds reach the victims and their families.

In order to ensure that all the factories we use in Bangladesh are safe, we have also had additional structural surveys completed as well as ensuring they are either certified by the BSCI (Business Social Compliance Initiative) or independent social compliance body WRAP (Worldwide Responsible Accredited Production).

With the help of our agents, we will continue to monitor the situation and work closely with the funds outlined above to ensure help is delivered where it can be most effective.

Yours sincerely,

Ian Milburn

Ian Milburn | Managing Director | Premier Clothing Limited

10 April 2014

Mr Brad Adams
Asia Director
Storm Tlv / Human Rights Watch
1630 Connecticut Avenue, NW
Suite 500
Washington DC 20009
United States of America

Dear Mr Adams

Thank you very much for your letter regarding the Rana Plaza Trust Fund.

N Brown Group had no dealings with and was not connected in any way to any of the factories involved in the Rana Plaza collapse. We have contributed to the fund purely as a humanitarian donation. We do not plan to disclose the amount donated.

N Brown Group supports the work of the ILO and the other interested parties in gaining agreement and support in setting up the fund and the detail around compensation.

We continue to encourage all retailers sourcing from Bangladesh to donate, particularly those having an association with the factories in Rana Plaza. However we strongly believe that this fund cannot replace a properly funded national social insurance fund set up to cover any future eventualities, which is clearly the responsibility of the Bangladesh government. As part of our work in the Accord on Fire and Building Safety we and others have been lobbying the government to set this up to protect workers in the future.

N Brown was a founding signatory to the Accord on Fire and Building Safety in Bangladesh and our Ethical Trading Manager is a member of the Steering Committee and worked on the Accord on a full time basis for six months. We see the Accord as a strong commitment to workers in Bangladesh and as a robust method of improving worker safety and awareness. We are under no illusion as to the amount of work involved.

We believe that the infrastructure, once established, together with mature industrial relations and a properly financed national social insurance scheme will be the best and most sustainable way forward to support the Bangladesh Garment Industry.

We will continue to spend time working through the Accord and with other retail members to support this goal. Thank you for your interest in our work.

Yours sincerely



A T Higginson
Chairman

The following correspondence was received by way of e-mail on April 5, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

RE: Human Rights Watch Letter Regarding Rana Plaza Trust Fund

Dear Brad,

Thank you for your recent communication regarding the Rana Plaza Trust fund

I am not quite sure on the source of your information, but it appears to be somewhat inaccurate.

As a company we have been involved in and fully supportive of all of initiatives connected with the Rana Plaza disaster, in-as-much as being one of the original signatories of the Accord on Building and Fire Safety (where we continue to play an active part as one of the lead brands in the factory inspection process) and one of the first signatories of the MoU developed by the ILO to establish the Trust Fund.

In terms of financial support we have already made two payments to support the victims and their families; the first via the short term relief mechanism orchestrated by Primark and the second a direct payment into the Fund.

We will continue to work with the ILO, the other brands and the NGO's and remain steadfast in our support of both initiatives.

The hyperlinks included below direct you to a number web-sites detailing our involvement as outlined above.

Thank you once again for your message.

I trust the following information is of use to you.

<http://www.ranaplaza-arrangement.org/>

<http://www.ranaplaza-arrangement.org/fund/donors>

<http://www.bangladeshaccord.org/signatories/>

<http://www.cleanclothes.org/ranaplaza>

Kind Regards,

Beth Butterwick

CEO

Bonmarché

The following correspondence was received by way of e-mail on April 6, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Dear Mr Adams

Thank you for your email.

Just to inform you about our involvement in Rana Plaza, Mascot did not manufacture or had anything manufactured at Rana Plaza at the time of the collapse. Actually, Mascot only produced a very small amount of garments at Rana Plaza, and the last order was produced in back in 2011.

We participated in the meetings in Geneva concerning the matter, and it was crystal clear that Mascot has no responsibility in the event. Despite of that, Mascot has made a contribution to the fund.

We have not asked to be listed, but we had to choose at the time of the donation whether our name and donation should be public. We decided to let our name be public, but not the amount. The reason is simply that if it is a large amount in some people's perception (and it is), they might think that we had a responsibility. If some people think that the amount is too low (and it is compared to some of the large donors), they would think that we do not live up to our "responsibility" (which we do not have). In order to avoid the discussion, we decided not to reveal the amount. And we do not plan to reveal the amount.

Mascot is dedicated to improved the living conditions of the people working in our industry, and therefore, Mascot has built its own production facilities in Vietnam and Laos. The factories in Vietnam are SA8000 certified. We just opened the factory in Laos, and when we get it up and running, it will also be SA8000 certified.

I hope the above answers your questions.

Kind regards

Mascot International

Michael Grosbøl

CEO

The following correspondence was received by way of e-mail on April 17, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

TO:

HUMAN RIGHTS WATCH

350 Fifth Avenue, 34th floor

New York, NY10118-3299

HUMAN RIGHTS WATCH

1630 Connecticut Ave. N.W.,

Suite 500,

Washington, DC20009

Mr. Brad Adams

Mr. Storm Tiv

Quakenbrück, April 17th, 2014

Dear Sirs,

We would like to inform that we have paid today the amount of USD 200.000,00 into the RANA PLAZA Donors Trust Fund (ILO – International Labour Organization), Switzerland.

After discussing this matter with Clean Clothes Campaign Germany we decided to pay this amount for humanitarian reasons and for the care of the victims and their families.

With kind regards

Lüder Siedenburg

Detlev Gehring

G. Güldenpfennig GmbH

Artlandstraße 73

D-49610 Quakenbrück

INDITEX

Mr. Brad Adams
Executive Director
Asia Division
Human Rights Watch

April 10, 2014

Dear Mr. Adams,

I am pleased to answer your letter of 4 April addressed to our Chairman, Mr Pablo Isla, and thank you on his behalf for your kind interest regarding our contribution as donors to the Rana Plaza Donors Trust Fund and other initiatives deployed by our company in connection with the Rana Plaza tragedy.

Firstly, I would like to underscore the fact that as soon as it learned of the collapse and its tragic consequences, Inditex, which was not manufacturing in the factories located in the Rana Plaza building, made its own team and an initial emergency donation (of 30 million taka to cover rescue and hospitalisation costs) available to the local emergency rescue and victim support teams. This donation was channelled through the Bangladesh Garment Manufacturers and Exporters Association, an entity which initially displayed the ability to coordinate the humanitarian relief effort.

In parallel to this humanitarian work, Inditex activated all of its customary channels for dialogue, namely with the ILO, international union federations Industriall Global Union and Uni Global, other international apparel makers and third sector entities, with a view to lending our expertise to a joint initiative which materialised a few months later in the Accord on Fire and Building Safety in Bangladesh. As you well know, over 150 international apparel makers have already signed this accord, which is carrying out a huge inspection effort and working to resolve the problems identified as necessary. We believe that this line of initiative, to which Inditex is bringing its significant expertise and experience, is the best way of advancing towards solid and long-lasting solutions which help to improve working conditions in Bangladesh's garment sector, in line with our Group's broad strategy in this market.

With regard to the Rana Plaza Donors Trust Fund, please note firstly that Inditex is not among the companies that set the fund up as our contribution has been made on the humanitarian grounds outlined above. The terms of the Donors Trust Fund establish not to disclose the sum donated. In compliance with

these terms (which Inditex did not help to define insofar as Inditex was not a 'Rana Plaza brand'), the amount of the donation has not been publicly disclosed. As you have seen, our private donation has been made public.

Inditex remains open to collaborating on any initiative that may be set in motion to support the victims. More specifically, we have expressed our willingness to foster the establishment of a general framework for action in relation to events such as the Rana Plaza tragedy, in line with the stance taken by the ILO. And it goes without saying that we will continue to work, together with all the relevant players, to try and prevent any such situation from recurring in the future.

I hope you will find this information useful and would be delighted to clarify any further queries you might have.

Best regards,

A handwritten signature in dark ink, appearing to read 'Félix Poza', with a long, sweeping horizontal line extending to the left.

Félix Poza
Global CSR Director
Inditex Group

The following correspondence was received by way of e-mail on April 17, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Sir Brad Adams
Human Rights Watch

Dear Sir,

in response to your letter, we would like to present a summary of our efforts to support the survivors and the families of those lost in last year's tragedy at Rana Plaza in Bangladesh. We believe that the efforts we have undertaken will help improve safety and working conditions and help prevent similar tragedies from taking place in the future.

Helping and supporting the victims' families, as well as others harmed in Bangladesh, is very important to us. This is why we are engaged in a number of global initiatives whose aims include not only providing financial aid to the victims, but also seeking to improve safety at Bangladeshi factories. We have also undertaken a number of internal changes such as bolstering our internal auditing structures responsible for maintaining work safety standards at the factories. Our company does not own its production facilities and our clothing is manufactured at factories also used by other global apparel brands. This is why we are convinced that these corrective efforts can be successful only if they involve the entire industry.

One of the first global initiatives which LPP involved itself in, was its October 2013 signing of the Accord on Fire and Building Safety in Bangladesh – whose aim is to improve safety at Bangladeshi garment factories. By signing the Accord, we committed ourselves to contributing dues which will finance safety inspections and training programs at the factories. Additionally, during the Accord's five year duration, a number of independent factory inspection programs and factory modernization efforts will be implemented.

In February 2014 we also made a voluntary contribution to the Rana Plaza Multi-Stakeholder Coordination Committee. All donations benefiting the Rana Plaza victims will be funded through the Rana Plaza Donors Trust Fund established in January 2014. These payments will be made solely for the benefit of the Rana Plaza victims and their families. It is extremely important to us, that the voluntary payments made will allow us to provide assistance to the families of the tragedy's victims.

We also believe that activities aimed at improving safety at the factories are of the utmost importance. To that end, we have implemented significant systemic efforts to improve our ability to effectively supervise our suppliers. We have expanded our internal audit structures, and we are currently recruiting additional employees for our newly created office in Bangladesh which will be responsible for safety inspections at the local factories we do business with. Each one of these new employees will receive training on maintaining workplace safety standards, with a particular focus on safety and working conditions at factories.

For more than ten years we have operated a similar office in Shanghai. It currently employs more than 100 individuals responsible for sourcing suppliers, supporting various stages of production and quality assurance.

Here in Gdańsk, we are completing our work on creating a special audit unit which will be tasked with verifying and evaluating the standards at the Asian factories we work with.

In addition to reorganizing and expanding our internal auditing structures, we also decided to combine our orders to production facilities into larger units. This action should improve our ability to exercise control over their activities. We believe that these types of efforts will allow us to develop a stable and safe network of suppliers, both in terms of production as well as business relations.

The efforts outlined in this brief summary are merely the beginning of a long road which should lead us to our goal – the creation of a more conscious, mature and responsible organization. We realize that much remains to be done, however, we are convinced that we are moving in the right direction.

We also believe that fully achieving our intended results will require cooperation and mutual involvement from the entire apparel industry.

Sincerely,
Marek Piechocki
CEO LPP

The following correspondence was received by way of e-mail on April 18, 2014 in reply to a Human Rights Watch letter faxed on April 4, 2014.

Dear Mr. Adams,

Thank you for your letter, requesting information on the actions that Benetton Group has undertaken in support of the victims of the Rana Plaza tragedy and their families.

We appreciate that Human Rights Watch is willing to give visibility also to the position of the brands in the upcoming report marking the first anniversary of the collapse. We would also like to take this opportunity of dialogue with HRW to further clarify Benetton Group's engagement in Bangladesh .

To begin with, our presence in the country is in fact very limited, especially if compared with that of other brands. In 2013, Benetton Group's sourcing out of Bangladesh accounted for only approximately 100 million USD in value, which is equal to 0.5% of the total textile exports of the country. In line with this, Benetton Group's presence on the ground consists only of a small team of 40 people. Specifically with respect to New Wave, one of the manufacturers housed in the Rana Plaza building, it had only received occasional orders from Benetton Group, amounting to 0.06% of our overall production in 2013.

Notwithstanding our extremely limited presence in Bangladesh, we decided to continue to operate in that country even after these tragic events so that we could contribute to finding real and lasting solutions to the problems of the local garment sector. To this end, Benetton Group was one of the first signatories to the Bangladesh Accord on Fire and Building Safety when it was launched in May 2013, immediately joining forces with other companies and key sector stakeholders in a proactive effort to improve safety and workers' conditions in the textile supply chains.

As for the victims of Rana Plaza, soon after the collapse, our Company decided to take immediate action in their support and that of their families by entering in a partnership with BRAC which, as you know, is one of the most credible and strongly rooted NGO's both in Bangladesh as well as at the global level. BRAC has been in the frontlines for Rana Plaza victims from day one: partnering with them therefore gave us the opportunity to operate directly in support of the victims and in a short time, addressing their most immediate medical as well as other needs, including those of their families.

The Benetton/BRAC partnership was launched in May 2013 and, as of now, the project with BRAC involves a total of 350 beneficiaries through two phases:

- Phase 1, providing functional prosthetic upper limbs to a number of recipients, who were selected based on criteria set by BRAC and recommendations by the Bangladesh government's Ministry of Health and Family Welfare;

- Phase 2, providing livelihood support through skills development training and seed capital to 350 recipients (including those supported under phase one), consisting of either survivors who were sole income generators of their families, or dependants of deceased/severely injured victims.

You can find some of the stories of the victims who are being assisted through Benetton Group/BRAC project on our website, within the section dedicated to our engagement for Bangladesh at <http://www.benettongroup.com/sustainability/benetton-for-bangladesh/>.

As for the Rana Plaza Trust Fund which is mentioned in your letter and the process that led to its creation, please allow us to clarify that Benetton Group had originally been amongst the original proponents of the roundtable created to discuss creating a fund to support the victims and their families. However, at some point we ended our involvement in this discussion and decided to concentrate our efforts and resources in our partnership with BRAC, when we realized that it was simply taking too long for those discussions – while people were needing immediate help - and that at any rate the mechanism for contribution in the end would be “on a voluntary basis” and not in any way in proportion to each company’s presence in Bangladesh. Through our partnership with BRAC, on the other hand, we were able to continue to support the victims and their needs – which is something that, through BRAC, we had already started doing only weeks after the tragic event.

We hope this information clarifies our position and thank you again for giving us this opportunity to articulate it.

Best regards,

Luca Biondolillo
Head of Corporate External Relations

ADLER Modemärkte AG • 63806 Haibach

Storm Tiv / Human Rights Watch
1630 Connecticut Ave N.W.
Suite 500
Washington, DC 20009
USA

Ihr Zeichen
Ihre Nachricht vom
Unser Zeichen LS - ra
Tel.-Durchwahl 06021 633 1217
E-mail
Fax
Datum 14.04.2014

Statement compensation fund

Dear Brad Adams,

Adler Modemärkte is a leading German fashion retailer with more than 170 stores in Germany, Austria, Luxembourg and Switzerland. We are producing since several years in Bangladesh. We have in Bangladesh a hand full of suppliers and producers, which we know since several years. Hence, we developed some long lasting and reliable relationships with our partners in Bangladesh.

Regarding the compensation fund of the ILO, we didn't contribute any money to the fund, because we never had any direct business relationship with a producer in Rana Plaza. We had the case that one of our former suppliers placed two orders with a volume of 7.500 pcs without our permission and against our supplier policy in the factory Phantom Apparels, located in Rana Plaza. With our established monitoring processes we discovered this subcontracting case through our buying agency. But we accepted the delivery exceptionally, because Phantom Apparels had a valid BSCI certificate from TÜV-Rheinland. The BSCI certificate is our standard for monitoring the social compliance status of a factory. However, we terminated the business relationship with the supplier directly after the disclosure of the subcontracting and before shipment of the goods, because he broke our supplier policy. We highly regret this case of subcontracting and the following catastrophe. But Phantom Apparels was never a nominated producer for Adler and we never had a direct business contact with this company. Therefor we do not see the responsibility joining the compensation fund.

However, following our humanitarian responsibility for the country and the people of Bangladesh, we contributed in the first step 20.000 € directly to victims of Rana Plaza. Hence, after the collapse, we helped victims fast and un-bureaucratic through our own contact persons in Bangladesh. Our contact persons are first aid helpers of the collapse and

have a direct link to the victims that are highly in need. After having had established this relationship, we are committing us to support ongoing projects in the future, together with our contact persons.

However, I would welcome to share our experience of the direct help with you. In case you have any further questions, please feel free to contact me.

Mit freundlichen Grüßen

A handwritten signature in black ink, appearing to read "Lothar Schäfer".

Lothar Schäfer
CEO - Vorsitzender des Vorstandes

The following correspondence was received by way of e-mail on April 23, 2014 in reply to a Human Rights Watch letter e-mailed on April 4, 2014.

Dear Mr. Adams,

Answering your letter of April 4th.

Sorry for reply time, but it is received in our office in Denmark Tuesday 22nd of April, so no earlier answer has been possible.

Email not received, sorry.

Thank you for your letter.

Since the tragic event, we've :

- immediately after the accident, taken initiatives on building controls and approvals. A procedure has now been taken over by the work of "the Accord".
- actively taken part in the cooperation of the Danish agreement PARTNERSHIP FOR RESPONSIBLE GARMENTS AND TEXTILES PRODUCTION IN BANGLADESH.
- signed the international agreement - Accord on Fire and Building Safety in Bangladesh - and we take active part in this Agreement and its implementation with Industriall and UNI Global Union
- joined the BSCI - the internationally recognized Business Social Compliance Initiative - and is in the process of implementing BSCI rules and procedures of our suppliers.
- participated actively in the work under DIEH (Danish Ethical Trading Initiative)

We did not produce at the factory when it collapsed, but we had produced at the factory before.

We donated in sympathy, already in July 2013, a significant 6-figure sum to the victims of the disaster.

The donation was a respond to the many calls for urgent action, immediately after the tragic disaster, which was referred to the industry, hereunder PWT Group.

The donation was given partly to, BGMEA, which immediately provided medical and medical assistance to those affected, and partly to the Centre for the Rehabilitation of the Paralysed (CRP), which subsequently has provided a significant, successful and proven efforts to rehabilitate the direct victims of the accident and ensure their future existence, by helping them get started with stores or purchase of cattle, etc.

We hope above answers your letter.

You are more than welcome to contact me for further questions, if you should have any of these.

Med venlig hilsen | Best regards

Brian Børsting

Corporate marketingmanager

PWT GROUP
SHINE ORIGINAL • BISON • LINDBERGH