

Stichting Bangladesh Accord Foundation AJ Heights Building, 12^{th,} 5th, & 4th Floors, Cha 72/1/d, Pragati Sarani, North Badda Dhaka 1212, Bangladesh

Kowsar Uddin Chowdhury GM-HR & Compliance Ananta Apparels Ltd (9557) 136 Elephant Road, Ananta Plaza, Dhaka

9 April 2017

<u>Subject</u>: <u>Notification of Accord investigation and inspection of structural safety</u> <u>complaint of Ananta Apparels Ltd. (136 Elephant Road, Ananta Plaza, Dhaka) which had</u> <u>critical findings requiring temporary suspension of production and evacuation of building.</u>

Dear Ananta Apparels Ltd. and Accord Company and Union Signatory Colleagues,

An Accord structural engineering team was dispatched to conduct an inspection at Ananta Apparel Ltd. (AAL) on 6 April 2017 after receiving a complaint related to safety and health from the National Garments Workers Federation (NGWF). The complaint is related to structural concerns of the AAL building from an excavation of the plot immediately adjacent to the building and the partial collapse of a security guard building of the AAL facility. Details of the complaint, the Accord engineers' findings, and required remediation are elaborated in the attached report.

In summary, the critical structural issues are:

- Tilting and partial collapse of a security guard building adjacent to the main AAL production building has occurred.
- Tilting of shore piles has occurred at the adjacent excavation site due to lateral earth pressure.

The Accord has determined that due to the state of the building and structural remediation concerns, elaborated above the factory is unsafe for production and occupancy in its current condition. Temporary evacuation is required until such time that urgent remediation is confirmed and completed.

Specific immediate actions which the factory must take are:

- The excavated area of the adjacent site to the AAL building must be immediately and completely back-filled with sand and adequately compacted.
- The security room must be immediately and completely demolished and removed.
- The capacity of the existing shore piling work at the adjacent excavation site must be reviewed by qualified geotechnical engineer and the results provided to the Accord.
- Installation of steel bracing work and other necessary safety measures must be implemented prior to re-excavation at the construction site.

We are informing you as the Accord brand in this factory so that you are aware of these developments.

The Accord requests that you now communicate formally with the owner to confirm your brand's support to the factory and to the necessary remediation for production to be reestablished. We also request that you inform the owner of the requirement that they maintain the workers' employment relationship and regular income during the period that the factory (or portion of the factory) is or may be closed for necessary corrective actions to be completed for a period of no longer than six months (from Article 13 of the Accord). We ask that you communicate with the owner that he must execute the required remedial measures from the inspection to ensure the building is safe for re-occupancy and resumption of production.

In accordance with the decision of the Accord Steering Committee, your brand is required to formally write to the factory owner(s) to convey the following:

- -that they are required to immediately adhere to the Accord requirements regarding immediate actions (including evacuation);
- -that they are required to extend their full cooperation to the Accord inspectors and staff regarding these matters;
- -that your brand is committed to supporting the owner(s) in the execution of the required remediation, is committed to supporting the remediation based on the inspection, DEA, and Accord corrective action plan (CAP), and is committed to ensure the factory owner maintains the employment relationship with any affected workers and pays affected workers their regular monthly wages each month while the necessary remediation is performed¹;
- -that should the factory owner fail to fail to meet the requirements of the Accord as it relates to remediation and the continued employment and payment of wages to his/her workers that your company will be required to sever all business relations with the factory and supplier. In such case the Accord would disclose publicly on our website that the owner(s) have failed to adhere to these requirements of Accord supplier factories. In such case the factory would also become ineligible to produce for any other Accord signatory brands or retailers.

We ask that your Brand immediately and formally communicate this to the owner, in writing, and copy the Accord on the communication.

The Accord has also reached out to our IndustriAll Bangladesh Council (IBC) colleagues to inform them of these developments and to garner their support in informing the affected workers of the situation and the Accord provisions for these situations. We will remind our IBC colleagues of the Accord expectation that they actively assist in these communications

¹ In order to induce factories to comply with upgrade and remediation requirements of the Accord programme, participating brands and retailers will negotiate commercial terms with their suppliers which ensure that it is financially feasible for the factories to maintain safe workplaces and comply with the remediation requirements.

Each signatory company may, at its option, use alternative means to ensure factories have the financial capacity to comply with remediation requirements, including, but not limited to joint investments, providing loans, accessing donor or government support, through offering business incentives or through paying for renovations directly.

In case of temporary full or partial closure of a factory while remediation takes place, the signatory companies shall require their supplier factories that are inspected under the Accord programme to maintain workers' employment relationship and regular income for a period of no more than six months. Failure on the part of suppliers to comply may trigger a warning notice, and ultimately termination of the business.

with workers so they understand and support the findings and remediation and so the affected workers work constructively and peacefully with us to expedite the remediation and the safe continuation of production and return to work at the factory.

The Accord shall convene a meeting of the factory owner, lead, active, and responsible Brands colleagues, and the worker representatives/IBC to discuss the execution of the initial remediation and the communications and coordination among the affected entities so that the safe continuation of production is realized.

We thank you in advance for your cooperation in these efforts. We know these situations bring challenges and stresses. We look forward to working with you to overcome and minimize these. We are confident that through coordination, commitment, and good faith together we will be successful in leading the re-opening of the factory and the resumption of production.

Please do not hesitate to contact me (0175 558 3744, rob.wayss@bangladeshaccord.com) should you have questions or seek assistance.

Sincerely,

Rob Wayss, Accord Executive Director & Acting CSI

Stichting Bangladesh Accord Foundation

Accord on Fire and Building Safety in Bangladesh

CC: <u>Inditex representatives</u>:

Javier Diaz Pena Jorge Alonso Campo

IndustriAll Bangladesh Council (IBC) representatives

Roy Ramesh Chandra Amirul Haque Amin