

Dhaka/Stockholm
February 5, 2016

Comment on the report on progress in the Accord on Fire and Building Safety in Bangladesh

Since the previous report October, 2015, we have continued to take a very active role within the Accord and are following the remediation plan progress closely. We see good progress, which is also reflected in Accord data. To further speed up the remediation, we are currently working closely together with IndustriALL to ensure the most efficient remediation in H&M supply chain and to use our combined leverage where needed. We will continue our long-term investment by fully supporting our business partners in improving and upgrading their production facilities to safer and higher international standards as well as their management capabilities, allowing them to become competitive in a sustainable way.

Fire exits are one of the most fundamental requirements for a supplier in order to be allowed to produce for H&M. There have always been clear escape routes in our suppliers factories although they are in the process of being improved in accordance with new standards. We are in close dialogue with the suppliers and are following up on the work that remains to be done. According to the latest information, the total amount of issues that have been handled has increased by 80 percent since October 2015

We are fully transparent with our supplier list and as such we welcome critical investigations. We appreciate that the report authors gives credit to this transparency in helping to make the report possible, and since last report The Accord publically available data is now updated to better reflect the current actual status of remediation, which help the dialogue about improvement and gaps to address.

Comment on the recent fire in Matrix Sweater Ltd

After the fire in *Matrix Sweater Ltd.*, Accord and Alliance have done investigations and both recommends not to continue production until further investigations, assessments, and remediation have been done. There are mainly two reasons given for currently recommend that the building remain vacant until certain measures are taken.

- 1. Due to extensive structural damage to the 7th and 8th floor, a concern arises over the safety of all the lower floors until a structural remediation plan which considers immediate and longer term remediation requirements is done. Until the structural assessment is done by a credible engineering firm, and all immediate actions to ensure the safety of building occupants is completed, no occupation of the building is recommended. We will be telling our brands the same message.*
- 2. Due to extensive firefighting water usage and potential damage to electrical systems, a certified electrician must check the electrical system prior to re-energizing the system. Until such time, no occupation of the building is recommended.*

We strongly recommend Matrix to not start any production until Accord/Alliance recommended actions have been taken and factory is deemed safe for production again. It is very important that *Matrix* clearly communicates what is going on to workers and ensure them they will be compensated and taken care of responsibly. H&M will ensure support to Matrix in this process, and we want to state that Matrix Sweater Ltd is fully cooperating in a responsible manner on the recommendations.

We can at this time not give an estimate how long the factory will be suspended.

Feb 4, 2016: Accord statement and information on the fire at Matrix Sweaters Ltd
<http://bangladeshaccord.org/2016/02/statement-on-fire-at-matrix-sweaters-ltd/>

Sep 30, 2015: Fire and building safety in Bangladesh
<http://about.hm.com/en/news/newsroom/news.html/en/fire-and-building-safety-in-bangladesh.html>

Oct 6, 2015: H&M comments on the report on the Bangladesh Fire and Building Safety
<http://about.hm.com/en/news/newsroom/news.html/en/hm-comments-on-the-report-on-the-bangladesh-fire-and-building-safety.html>

For further information about the Accord and official status, please visit <http://bangladeshaccord.org/>

For further information about our sustainability program, please visit <http://www.hm.com/sustainability>