

Messrs Geoffrey Paul Rowley and Alastair Rex Massey

Joint Administrators for Debenhams Retail Limited & Debenhams Properties Limited
FRP Advisory
110 Cannon Street
London EC4N 6EU

15 September 2020

Subject: Pending overdue payments to Debenhams' supply-chain vendors in Bangladesh

Dear Sirs,

Greetings, and a good day to you.

I am Dr. Hasanat M. Husain, the Convener of 'Voice for Justice World Forum', a welfare-driven community that represents the voices of those who are subjected to exploitation and/or oppression in varying circumstances.

I write to you today on behalf of a community of apparel manufacturers in Bangladesh, who as long-standing suppliers of the British retailer Debenhams, have been subjected to an extremely unfair and unjust treatment as it relates to the non-fulfillment of their financial agreements for apparel items sold to Debenhams.

As I understand, as Appointed Administrators, you have been **empowered** to manage the affairs, businesses and properties of Debenhams. Though you are fully aware and at the center of the interactions between Debenhams and its suppliers from Bangladesh, I would still like to touch on a few points which I believe needs to be addressed in the wider interests of the affected parties who are being penalized for no fault of their own.

Approximately \$18.55 million worth of apparel items shipped to the UK by Bangladeshi manufacturers have been released by Debenhams. The process by which it was done was unethical and irregular. Had Debenhams followed the banking and shipping paperwork protocols applicable to such trade arrangements, its suppliers in Bangladesh would not be in this position today.

As Administrators, you were fully aware of these matters, yet, it seems, you provided the suppliers with no proper explanation and the easiest way to evade your financial commitments was for Debenhams to cite insolvency and seek legal protection from its suppliers by claiming moratorium on these due payments.

After your appointment, you had negotiated with Bangladeshi suppliers to clear apparel items that had arrived at UK Ports worth approximately USD 5 million at 75% of original invoice value. Even though this came as another unreasonable solution for

the suppliers to accept, they had done so and have considered the matter settled for purposes of moving forward with Debenhams.

It is evident that in spite of the financial difficulties that Debenhams continues to navigate its way through, it is continuing to operate as a going concern, and with continuing sales through its website and stores where possible. Additionally, the company continues to source apparel items for the upcoming season through different channels, even working through a Sourcing Office in Bangladesh to finalize about USD 7 million worth of items currently in finished or work-in-progress stages with its existing Bangladeshi suppliers.

In addition, approximately USD 40 Million worth of apparel in finished and work-in-progress stages are still lying on the production floors and warehouses of factories regarding which there is no act of resolution from your end. Debenhams continues to pick and choose which items they are most in need of to meet their sales targets and are selectively pursuing those arrangements which is quite obvious from its procurement strategy. Yet, it is indeed perplexing and extremely disheartening to see this unethical position which your company, empowered as their Administrator, are allowing Debenhams to carry on with.

Under the circumstances, it is a certainty that the 160,000 workers and employees across these 42 factories are already at an immediate risk of losing their livelihood as these factories would be unable to pay their wages in the months to come. These are individuals who have little savings and access to credit and are typically burdened with having to take care of other dependents within their families.

On behalf of the forum which I represent,
we expect your kind consideration ensuring a fair arrangement to release the owed amount to the concerned garments manufacturers.
The livelihoods of millions of low-income wage earners are directly dependent on the outcomes of the stalemate created.

We expect a quick resolution of an already long-pending non-payment administered by you on behalf of Debenhams.

Please do keep us posted.

With best regards.

Yours very sincerely,

Dr. Hasanat M. Husain MBE
Convener, Voice for Justice World Forum