

Investor Statement in Support of the Maintenance and Expansion of the Bangladesh Accord

Eight years have passed since the collapse of the Rana Plaza factory complex in Bangladesh resulting in the death of 1,134 garment workers and 2,600 injured. This massive tragedy drew attention to pervasive human rights abuses in the garment sector, as well as the failure of the Bangladesh government and corporations sourcing there to create workplaces that both protect and respect the lives of workers, and mitigate the risks to companies and their investors.

Background of Investor Action on Bangladesh

Directly following the collapse, the Interfaith Center on Corporate Responsibility (ICCR) formed the [Bangladesh Investor Initiative](#) – currently comprising 250 institutional investors with over \$4.5 trillion in assets under management - to press global companies sourcing in Bangladesh to become directly involved in helping to transform the Bangladesh apparel sector by taking the following four steps:

1. Join the legally binding [Accord on Fire and Building Safety \(Accord\)](#) signed by trade unions, brands and retailers with NGOs as witness signatories;
2. Commit to strengthening local trade unions and ensuring a living wage for all workers including through their engagements with the Bangladesh government;
3. Publicly disclose all their suppliers including those from Bangladesh, and;
4. Ensure that appropriate grievance mechanisms and effective remedies, including compensation, are in place for affected workers and families.

In the years since the formation of the Accord, substantial progress has been made, though more remains to be achieved to completely eliminate the safety risks to workers. The Accord has established safer factories in Bangladesh for over 2 million workers through unprecedented collective action by trade unions, civil society, brands, and international institutions. The Accord has: implemented an effective, **legally binding** model that has remediated major electrical and structural problems; required brands to provide their suppliers with commercial terms or alternative means of financing to maintain safe workplaces and to make the necessary changes to remediate safety issues found through factory inspections; ensured collective leverage is exercised on non-compliant factories through a notice and warning procedure leading to termination of the business if these efforts do not succeed; conducted worker safety trainings, and; maintained a high level of transparency about factory inspections and corrective actions required. These actions have established credible and trusted grievance mechanisms and helped to build the Accord's reputation with workers and a broad range of national and international stakeholders as a fit-for-purpose independent process based on accountability measures that can transform the garment sector.

Structural Change in the Accord Could Impede Progress

In June 2020, an agreement between trade unions, brands, and the Bangladesh Garment Manufacturers and Export Association (BGMEA) established the Ready-Made Garment Sustainability Council (RSC) in order to assume responsibility for the Accord inspection program, utilizing the Accord's protocols and systems. This transition, to a local operation that is not defined by an enforceable agreement, was predicated on the continuation of the Accord, thus maintaining enforceable obligations for the brands participating in the RSC. In addition, it was felt this move would provide an independent accountability

mechanism to ensure that the RSC fulfills its core mission of inspecting, remediating and when necessary, terminating factories that have failed to make the changes that could impact the life and death of workers.

However, in less than two months, on May 31, 2021, the Accord will expire. Unless a new agreement between global unions and brands that includes the essential elements of the Accord is achieved by that date, there will be no enforceable brand commitments to ensure the proper functioning of the RSC and no independent organization to report on its performance. The RSC cannot serve as a reliable guarantor of workers' safety under those circumstances. Given the vulnerability of garment workers during the COVID-19 pandemic, when many workers have lost their jobs and healthcare and have been exposed to the virus given the difficulty of social distancing, it is all the more important to keep the Accord in place to ensure worker safety.

Call to Action

As investors, we acknowledge our responsibility to respect human rights as defined by the UN Guiding Principles on Business and Human Rights. In order for investors to fulfill this responsibility, we expect human rights due diligence of the companies we invest in, including:

- Independent assessments of salient issues;
- Integration of findings into the business;
- Ongoing monitoring with the participation of workers in the identification of workplace issues;
- Transparency of process and results and assurance that abuses found are remediated in a timely manner.

As investors in many of the global brands sourcing in Bangladesh, we urge brands to sign a new legally binding agreement with global unions that:

1. Includes enforceable obligations for brands that ensure worker health and safety is protected;
2. Maintains the role of the Accord secretariat as an independent mechanism of accountability for the RMG Sustainability Council;
3. Is international in scope, providing a framework to expand the Accord's lifesaving inspection and remediation program to other countries where garment workers' lives are at risk from fires and structural failures.

Since 2013, the Accord has given investors confidence that its program in Bangladesh has successfully addressed the salient issues of fire and building safety in participating factories, saving lives in the process. We, the undersigned investors, commit to promoting the power of the Accord model in our corporate engagements both to safeguard the health and safety of workers in Bangladesh and in global supply chains in other countries.

Total Number of Investors: 176

Total AUM: over \$2.2 trillion USD

Aargauische Pensionskasse (APK)

AFL-CIO

Achmea Investment Management

AMP Capital Ethical Leaders Funds

Adrian Dominican Sisters, Portfolio Advisory Board

Arnow Family Fund

ASN Beleggingsfondsen	Caisse de Prévoyance de l'Etat de Genève CPEG
ATISA Personalvorsorgestiftung der Tschümperlin-Unternehmungen	Caisse de Prévoyance des Interprètes de Conférence (CPIC)
Atkinson Foundation	Caisse de Prévoyance du Personnel Communal de la Ville de Fribourg
Ausbil Investment Management Limited	Caisse de Prévoyance du Personnel de l'Etat de Fribourg (CPPEF)
Australian Ethical Investment	Caisse de Prévoyance du Personnel de l'Etat du Valais (CPVAL)
Azzad Asset Management	Caisse Intercommunale de Pensions (CIP)
B.C. Government and Service Employees' Union (BCGEU)	Caisse Paritaire de Prévoyance de l'Industrie et de la Construction (CPPIC)
Bernische Lehrerversicherungskasse	CAP Prévoyance
Bernische Pensionskasse BPK	CCOO Fondempleado Unicaja
BMO Global Asset Management	CCOO FP
BNP Paribas Asset Management	Chicory Wealth
Bon Secours Mercy Health	Christian Super
Boston Common Asset Management	Church of England Pensions Board
Boston Trust Walden	Church of the Brethren Benefit Trust
Brethren Foundation Funds Inc.	CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle
Bridgestone Hispania Pension, FP	Comitato Lady Lawyer Village
CA Catholic Congregations for Responsible Investing	Congregation of Holy Cross, Moreau Province
Caisse Cantonale d'Assurance Populaire - CCAP	Congregation of Sisters of St. Agnes
Caisse de pension du Comité international de la Croix-Rouge	Congregation of St. Joseph
Caisse de Pension Hewlett-Packard Plus	CorpGov.net
Caisse de Pensions de l'Etat de Vaud (CPEV)	CtW Investment Group
Caisse de Pensions du CERN	Dana Investment Advisors
Caisse de Pensions du personnel communal de Lausanne (CPCL)	Daughters of Charity, Province of St. Louise
Caisse de Pensions ECA-RP	Domini Impact Investments
Caisse de Prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires	Dominican Sisters - Grand Rapids

Dominican Sisters of Sparkill	Gebäudeversicherung Luzern
East Capital Asia Limited	Gebäudeversicherung St. Gallen
Etablissement Cantonal d'Assurance (ECA VAUD)	Green America
Ethical Partners Funds Management	Harvard Law School
Ethos Foundation	Heartland Initiative, Inc.
Everence and the Praxis Mutual Funds	Hexavest
Figure 8 Investment Strategies	Impact Investors
FIM Partners	Impax Asset Management LLC
First Affirmative Financial Network	ISGAM AG
Fondation de la Métallurgie Vaudoise du Bâtiment (FMVB)	JLens Investor Network
Fondation de Prévoyance Artes & Comoedia	KEPLER-FONDS KAG
Fondation de Prévoyance des Paroisses et Institutions Catholiques (FPPIC)	Kurt Barnes
Fondation de Prévoyance du Groupe BNP PARIBAS en Suisse	Lady Lawyer Fashion Archive
Fondation de Prévoyance Professionnelle en Faveur de AROMED	Leadership Team of the Felician Sisters of North America
Fondation de Prévoyance Romande Energie	Luzerner Pensionskasse
Fondation Interprofessionnelle Sanitaire de Prévoyance (FISP)	Maryknoll Sisters
Fondation Leenaards	Mercy Investment Services, Inc.
Fondation Patrimonia	Midat Cyclops, FP
Fondo de Pensiones Empleados de Telefónica España	Mission Wealth Advisors of Raymond James Ltd.
Fonds de Prévoyance de CA Indosuez (Suisse) SA	Natural Investments
Fonds de Réserve pour les Retraites - FRR	NEI Investments
Fonds Interprofessionnel de Prévoyance (FIP)	Nest Sammelstiftung
Franciscan Sisters of Allegany NY	NN Investment Partners
Franciscan Sisters of Perpetual Adoration	Nordea Asset Management
	North American Province of the Congregation of Our Lady of the Cenacle, Inc.
	North East Scotland Pension Fund
	Northwest Coalition for Responsible Investment

Öhman	Regroupement pour la Responsabilité Sociale des Entreprises
OIP Trust	Rentes Genevoises
Pensions Caixa 30 (PC30)	Reynders, McVeigh Capital Management
Pensionskasse AR	RP - Fonds institutionnel
Pensionskasse Bank CIC (Schweiz)	Sarasin & Partners LLP
Pensionskasse Basel-Stadt	School Sisters of Notre Dame, CP Corporate Responsibility Committee
Pensionskasse Bühler AG Uzwil	School Sisters of St. Francis
Pensionskasse Caritas	Secunda Sammelstiftung
Pensionskasse der Basler Kantonalbank	Seventh Generation Interfaith Coalition for Responsible Investment
Pensionskasse der Stadt Frauenfeld	SHARE
Pensionskasse der Stadt Winterthur	ShareAction
Pensionskasse Pro Infirmis	Signet Strategic Wealth Management
Pensionskasse Römisch-katholische Landeskirche des Kantons Luzern	Sisters of Bon Secours, USA
Pensionskasse Schaffhausen	Sisters of Charity Halifax
Pensionskasse SRG SSR	Sisters of Charity of New York
Pensionskasse Stadt Luzern	Sisters of Charity of Saint Elizabeth
Pensionskasse Stadt St. Gallen	Sisters of Notre Dame de Namur Base Communities
Pensionskasse Unia	Sisters of St. Dominic of Caldwell
Personalvorsorgekasse der Stadt Bern	Sisters of St. Francis of Philadelphia
Prévoyance Santé Valais (PRESV)	Sisters of St. Joseph of Carondelet
Prévoyance.ne	Sisters of the Holy Names of Jesus and Mary
Priests of the Sacred Heart, US Province	Sisters of the Presentation of the BVM of Aberdeen SD
Profelia Fondation de Prévoyance	Solaris Investment Management
Prosperita Stiftung für die Berufliche Vorsorge	St. Galler Pensionskasse
Providence St. Joseph Health	St. Mary's Institute
Raiffeisen Pensionskasse Genossenschaft	
Region VI Coalition for Responsible Investment	

Stiftung Abendrot

Strathclyde Pension Fund

SVA Zürich

Terre des Hommes Schweiz

The Daly Foundation

The United Church of Canada

Trillium Asset Management, LLC

Trinity Health

Triodos Investment Management

Trottier Family foundation

Unfallversicherungskasse des Basler
Staatspersonals

Universitat Politècnica de València

Université de Genève (UNIGE)

Vancity Investment Management

Verein Barmherzige Brüder von Maria-Hilf
(Schweiz)

Vorsorge SERTO

Wetherby Asset Management