

## **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

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| 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  |

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| 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                               |

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

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