

Invested in Better Working Conditions for Garment Workers in Bangladesh

By Lauren Compere, Boston Common Asset Management

Low-cost goods often come at the expense of workers, who labor in unsafe conditions, receive unsustainably low wages and have no collective bargaining rights. This was highlighted by the November 2012 Tazreen garment factory fire and the April 2013 Rana Plaza building collapse in Bangladesh, which together resulted in the deaths of over 1,500 garment workers.

Members of ICCR, who see their work

through a social justice lens, have been working with companies across all sectors to eradicate human rights abuses, including sweatshop labor in their operations and supply chains, for nearly two decades.

Since May 2013, ICCR has led an investor coalition of more than 200 organizations from across Europe, North America, and Australia with \$3.1 trillion in collective assets, in addressing supply chain risks in Bangladesh. The coalition encourages apparel and retail companies to join the Bangladesh Accord on Building and Fire Safety (the “Accord”), which is implementing factory inspections and remediation efforts to create safe and healthy workplaces in 1,500 factories in Bangladesh. To date, more than 190 companies have joined the Accord, which includes worker representatives, and is legally binding. The investor coalition successfully persuaded Adidas to join the Alliance, and continues to engage the 21 companies that

have joined neither the Accord nor the Alliance for Worker Safety (the “Alliance”).

In May 2014, ICCR member Lauren Compere of Boston Common Asset Management (Boston Common) met with key stakeholders in Bangladesh to assess progress in implementing the Accord and learn what more needs to be done. She met with the local teams of the Accord and the Alliance, the ILO Bangladesh office, and the Gap’s fire and building safety team. She also shared what ICCR was doing in meetings with local trade unions, and the Awaj Foundation -- which works with women garment workers -- and Impactt -- which provides worker training on health and safety and productivity measures.

Bangladesh’s ready-made garments (RMG) industry is improving. Lauren also was able to see first-hand how supplier factories for Debenhams, H&M and Marks & Spencer have invested in automation and on-site amenities such as water treatment, free and subsidized lunches, and child care. The Accord and the Alliance are also conducting inspections, while the Bangladesh government is hiring factory inspectors, removing import tariffs, streamlining the labor union registration process, and raising the minimum wage.

On October 1st, ICCR co-convened a faith-based salon “Investing in more sustainable apparel supply chains: Strategies for investors in listed equities, private equity, and impact investing” with Boston Common, Christian Brothers Investment Services and Tau Investments. The salon focused on new private equity and venture capital strategies that are emerging to upgrade factories, and invest in building a more ethical and sustainable garment industry.

Oliver Niedermaier, CEO, Tau Investment Management described how private equity can help build more sustainable supply chains and improving worker

health and safety in Bangladesh by investing directly in large-scale factories to increase automation, invest in water and waste management treatment, and provide workers with clean drinking water and improved nutrition. This ultimately helps brands and retailers as they seek to build strategic long-term partnerships with their suppliers.

Spencer Ton, Executive Director, Cordes Foundation, and Co-Founder, Fashion4Freedom described how the Foundation has committed to invest 100% of its portfolio in impact investments and empowering women and girls to become social entrepreneurs. Spencer shared a story of working in Cambodia with Fashion4Freedom, a social enterprise and design incubator that creates products and processes that lead to ethical and alternative supply chains, and how this model could be effectively applied in Bangladesh.

Investors’ ultimate goal is to shift the current compliance and auditing model to one that builds long-term strategic relationships with suppliers and incorporates more advanced living wage policies. ICCR and its coalition members will continue to push companies to take concrete actions to create a more sustainable apparel supply chain in Bangladesh which places worker rights and factory conditions front and center.



Lauren Compere (third from left) with Spencer Ton, Julie Tanner and Oliver Niedermaier.

