



### **Investor Statement on the 4<sup>th</sup> Anniversary of the Rana Plaza Tragedy**

Four years have passed since the collapse of the Rana Plaza building in Bangladesh resulting in over 1,100 garment workers killed and 2,600 injured. This massive tragedy drew attention to the systemic human rights abuses in the garment sector, as well as the failure of the Bangladesh government and corporate compliance programs to create safe and healthy workplaces that respect and protect the lives of workers and mitigate the risk to companies.

Following the April 2013 crisis in Bangladesh, over 200 global institutional investors appealed to companies to: join the legally binding [Accord on Fire and Building Safety](#) (Accord) signed by trade unions, brands and retailers with NGOs as witness signatories; commit to strengthening local trade unions and ensuring a living wage for all workers; publicly disclose all their suppliers including those from Bangladesh and ensure that appropriate grievance mechanisms and effective remedies, including compensation, are in place for affected workers and families.

In the ensuing four years investors have seen positive steps taken by the Accord. An unprecedented number of global brands, retailers and importers-over 200-have collaborated to address the immediate and short-term threats to worker safety in the garment sector. 1600 factories have been inspected and more than 75% of the identified safety issues have been fixed, the majority of them electrical. Over 750,000 workers are covered under the Accord's Safety Committee Training program which is critical to their detection of safety hazards and their participation in labour-management Safety Committees at the factory level. In addition more than 80 major safety complaints have been resolved through the program's Complaints Mechanism. Investors commend the Accord for publishing the results of inspections and regularly updating progress on corrective action plans. This is a positive signal to investors that safety risks are being carefully and sustainably managed.

While the level of verified corrective action plans is unprecedented, 25% of non-remediated findings are serious structural issues that continue to pose a threat to worker health and safety. In addition, more than 60% of factories still do not have enclosed staircases and fire doors on each floor which would allow for safe egress from multi-story factories. We urge companies to implement due diligence with their suppliers to assess their financial capacity to remediate such costly hazards and agree on a plan based upon [Article 22](#) of the Accord where the brand or retailer negotiates "commercial terms with suppliers which ensure that it is financially feasible for the factories to maintain safe workplaces and comply with upgrade and remediation requirements" or alternative means of financing.

The last 4 months has been troubling, given the government crackdown of dozens of garment workers and labor leaders who are facing criminal cases in Bangladesh after wage strikes in December 2016, according to [Human Rights Watch](#) (February 15, 2017). Arbitrary arrests of union leaders by the

Bangladesh police grew to 34 known arrests. These actions raise serious questions for investors about the will and capacity of the government to implement their laws related to freedom of association and collective bargaining, to adopt a regular wage review mechanism and to oversee the restructuring of the garment sector to protect the health and welfare of workers. About 20 global brands sourcing from Bangladesh, including C&A, Gap, H&M, Inditex, Next, and Primark, [wrote to Prime Minister Sheikh Hasina](#) supporting a wage review and expressing their concerns that union leaders and worker advocates were being targeted. We commend the companies for using their leverage with the Bangladesh government to implement its duty to protect human rights. We urge the [Alliance for Worker Safety](#), the Accord and individual companies to use their collective influence with the government to support worker rights and safe workplaces.

The undersigned investors are concerned about the systemic risks that are yet to be addressed, especially with just one year left in the 5-year legally binding agreement. We therefore recommend:

1. Accord companies and trade union representatives agree to extend the Accord for the period of time needed to remediate systemic issues that still threaten worker safety and livelihood.
2. Accord companies implement due diligence to assess the financial capacity of suppliers and ensure proper financing is available to expedite the remediation of more costly safety hazards such as enclosed stairwell, sprinkler systems, hydrants and structural retrofitting.
3. Alliance companies ensure remediation of outstanding issues and publicly report on progress.
4. Broaden the current scope of the Accord to include; i) a focus on freedom of association and collective bargaining and integrate this into the Complaints Mechanism process and ii) additional parts of the supply chain where similar risks exist such as washing, dyeing, fabrics, leather and home textiles.
5. The Accord model of governance, legally binding provisions and ongoing transparency be the fundamental component of any credible further initiative or expansion into other countries and sectors.

We believe the positive work done by the Accord can be secured by staying the course and completing the remediation of outstanding issues and the training of factory workers and managers.

As investors we support those companies who give leadership to this historic initiative which has the potential to transform the Bangladesh garment sector and be a model for other supply chain initiatives designed to mitigate the risk to companies and to workers alike.

**Total number of investor signatories: 137; Total AUM: over \$4.3 trillion USD**

Signatories:

Adrian Dominican Sisters, Portfolio Advisory  
Board

Alberta Investment Management Corporation

Allianz Global Investors

Natural Investments LLC

NEI Investments

Nest Sammelstiftung

North American Province of the Congregation of

AMP Capital Responsible Investment Leaders Fund	Our Lady of the Cenacle
APG   Asset Management US Inc.	North East Scotland Pension Fund
Aquinas Associates	NorthStar Asset Management, Inc.
Ausbil Investment Management Limited	Northwest Coalition for Responsible Investment
AXA Investment Managers	New York Society of Security Analysts (NYSSA)
Azzad Asset Management	Oblates of Mary Immaculate Lacombe Province Canada
Bankhaus Schelhammer & Schattera	OIP Trust
Bâtirente	Orchard House Foundation
Boston Common Asset Management	Our Lady of Victory Missionary Sisters, Inc.
Brethren Foundation Funds	Pax World Funds
BVM Shareholder Education & Advocacy Group	Pension Plan of The United Church of Canada
Caisse de Prévoyance des Interprètes de Conférence, Switzerland	Pensionskasse Caritas, Switzerland
Candriam Investors Group	Pensionskasse Stadt Winterthur, Switzerland
CAP Prévoyance, Switzerland	Pensionskasse Unia
Christian Super	Prévoyance Santé Valais (PRESV) prévoyance.ne
Church of the Brethren Benefit Trust	Priests of the Sacred Heart, US Province
CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle	Prosperita Stiftung für die berufliche Vorsorge
Compensation Employees' Union (CEU)	Public Service Alliance of Canada Staff Pension Plan
Congregation of Sisters of St. Agnes	Region VI Coalition for Responsible Investment
Congregation of St. Joseph	Responsible Sourcing Network
COPE Union Pension Plan	RRSE (Regroupement pour la responsabilité sociale des entreprises)
Cordes Foundation	School Sisters of Notre Dame - Central Pacific Province CR Committee
Corporate Responsible Investing Advisory Group, St. Norbert Abbey	School Sisters of St. Francis
Dana Investment Advisors	Seventh Generation Interfaith CRI
Daughters of Charity, Province of St. Louise	Shareholder Association for Research and Education (SHARE)
Dignity Health	Sinsinawa Shareholder Action Committee
Domini Impact Investments LLC	
Dominican Sisters ~ Grand Rapids	
Dominican Sisters of Sparkill	

Dominican Sisters of Springfield, IL	Sisters of Charity of Cincinnati
Echo Foundation	Sisters of Charity of New York
Etablissement de Retraite additionnelle de la Fonction publique (ERAFP)	Sisters of Charity of St. Elizabeth, New Jersey
Ethos Foundation, Switzerland	Sisters of Charity, Halifax
Evangelical Lutheran Foundation of Eastern Canada	Sisters of Instruction of the Child Jesus
Everence and the Praxis Mutual Funds	Sisters of Saint Joseph of Chestnut Hill, Philadelphia, PA
Faultline Foundation	Sisters of St. Dominic of Blauvelt, New York
Felician Sisters of North America Leadership Team	Sisters of St. Joseph of Boston
Fonds de Réserve pour les Retraites – FRR	Sisters of St. Joseph of Springfield
Fourth Swedish National Pension Fund (AP4)	Sisters of the Holy Cross
Franciscan Sisters of Allegany NY	Sisters of the Humility of Mary
Friends Fiduciary Corporation	Sisters of the Most Precious Blood
Franciscan Sisters of Perpetual Adoration	Sisters of the Precious Blood
GES International	Sisters of the Presentation of the BVM
Glasswater Foundation	Social Justice Committee, UU Congregation at Shelter Rock
Greenvest/FWG	Socially Responsible Investment Coalition
Hampshire College	Solaris Investment Management
Heat and Frost Union Local 118 Pension Plan	Sonen Capital
Hexavest	Steelworkers Pension Plan
Humanis	Stiftung Abendrot
IBVM Foundation, Loretto Sisters	Strathclyde Pension Fund
JLens Network	Sustainable Value Investors
KEPLER-FONDS KAG (Austria)	Swift Foundation
Leadership Team of Sisters of Providence - Mother Joseph Province	The Columbia Foundation
Local Government Super	The Paulist Center, Boston, MA
Manaaki Foundation	The United Church of Canada
Marianist Province of the U.S.	Towboat Seamen Retirement Plan
Marianists International NGO	Trillium Asset Management
Mennonite Education Agency	Trinity Health
	Triodos Investment Management

Mennonite Education Agency Investment Fund LLC

Mercy Health

Mercy Investment Services

Midwest Coalition for Responsible Investment

Miller/Howard Investments

Mirova

Missionary Oblates of Mary Immaculate

MN, Netherlands

Natixis Asset Management

Trusteam Finance

US Province Missionary Oblates

Vancity Investment Management Ltd.

Walden Asset Management

Xaverian Brothers

Youville Provident Fund

Zevin Asset Management