Remembering the Victims of Rana Plaza

On April 24th, to mark the one-year anniversary of the collapse of Rana Plaza, the Bangladesh Investor Coalition, a group of 134 institutional investors representing over $4.1 trillion in managed assets and led by ICCR, released a statement calling attention to the need for greater financial aid for the victims and their families.

Rana Plaza was one of the worst workplace disasters in history, resulting in the deaths of over 1,100 garment factory workers who were forced to continue working in the building even though they had left it the day before because of major cracks in a wall. The tragedy underscored the need for heightened vigilance on the part of apparel companies for potential human rights risks in their global supply chains, particularly when they source from low-cost producing nations such as Bangladesh.

The Bangladesh Coalition comprises responsible institutional investors from a dozen countries who press for greater corporate responsibility, including the abolition of trafficking and slavery from global supply chains. The coalition was convened by ICCR after the Rana Plaza disaster to urge apparel brands and retailers sourcing from Bangladesh to use their collective influence to help institute system-wide changes that will ensure the future safety of apparel workers.

Investors point to several key achievements over the last 12 months, many of which emerged through the formation of the multi-stakeholder initiative the Bangladesh Accord on Fire and Building Safety, which includes trade unions, apparel brands and retailers, with an independent chair from the International Labor Organization.

Improvements noted in the statement are:

- 160 companies in 20 countries have joined the Accord for Fire and Building Safety, which is implementing factory inspections and remediation efforts to create safe and healthy workplaces in 1,500 factories between now and October, and is beginning to train workers.
- Participation of the International Labor Organization (ILO) in the creation of the National Tripartite Plan of Action on Fire Safety and Structural Integrity, with the government of Bangladesh, the Bangladesh Garment Manufacturers Export Association, and trade unions. Labor inspectors are being hired and trained to fill close to 400 new positions.
- With the ILO’s support, the government has improved the trade union registration process with 127 new unions registered since the beginning of 2013.
- Adoption of common inspection standards by both the Accord and the Alliance for Worker Safety, an initiative of North American apparel companies and retailers/brands with 26 members covering over 700 factories (http://www.bangladeshworkersafety.org/).

While the coalition concedes that progress has been made there is concern that corporate financial aid to victims is falling short of projected need. Of the $40 million the Rana Plaza Trust Fund estimates it needs to cover the medical expenses of over 2,000 injured and to compensate the families of victims for loss of income, to date only $15 million has been pledged or collected.

According to the investors’ statement, “The UN Guiding Principles on Business and Human Rights clearly articulate the corporate responsibility to safeguard human rights throughout global supply chains through its ‘Respect, Protect and Remedy’ framework. While companies that haven’t met their human rights responsibilities face clear legal, financial and reputational risks, the moral mandate for increased human rights due diligence inherent in these principles transcends ordinary business concerns.”

Separately, the investors are engaging companies they hold via letters and/or follow-up company dialogues urging them to contribute generously to the Fund. The Fund is purposely open to all brands and donors, irrespective of whether they had any sourcing links to the Rana Plaza building.

The investor statement concludes, “We hope the lessons learned from Rana Plaza and the new multi-stakeholder model in practice in Bangladesh will inform supply chain practices globally.”