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**ICCR's Statement on Agreement for Accord's Continuance in Bangladesh**

**NEW YORK, NY, Thursday, May, 30<sup>th</sup>, 2019** - On May 19, 2019 the Appellate Division of the Bangladesh Supreme Court accepted an agreement negotiated by the Accord on Fire and Building Safety (Accord) Steering Committee and the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) with the endorsement of the Government of Bangladesh. The agreement enables the Accord to operate in Bangladesh for one more year and provides for a BGMEA team to work closely with the Accord to learn the core functions of Accord operations. After 13 months a new structure will be established, the Ready-Made Garment (RMG) Sustainability Council, to implement all aspects of the Accord operations including inspections, remediation, safety training of workers, complaint mechanism and public reporting.

The Bangladesh Investor Initiative, made up of 250 global institutional investors representing over \$4.5 trillion in assets under management and coordinated by the Interfaith Center on Corporate Responsibility, has been a strong proponent of the Accord since its inception in 2013. Investors have advocated for the Accord's continuance until the government of Bangladesh fully builds the necessary capacity to take on this program. As of yet, [research](#) shows that the government is far from ready. It is critically important to get assurance that the new RMG Sustainability Council will operate on the same principles and criteria that make the Accord so credible in keeping workers safe.

The Accord has had a successful track record for over 6 years, implementing a rigorous inspection regime, remediation plans, worker safety trainings, an effective grievance mechanism and terminating factories that, after repeated opportunities, have not remediated issues found. Public reporting on the status of each factory on a regular basis has also been an essential component of the Accord. The governance structure, with brands and trade unions equally represented on the Steering Committee and NGOs as signatories, is a model that has worked well in overseeing this legally-binding agreement and the substantive restructuring of the garment sector to ensure that safety measures are in place in factories.

To be effective during the upcoming transition period, the Accord needs its independence in order to fulfill its mandate and protect the lives of workers. The BGMEA unit's role within the Accord cannot come with restrictions on the Accord's operations; rather, it should be limited to gaining a clear understanding of the Accord's systems, operations and protocols in order to be ready for the transfer of these functions at the end of the year. As investors, we will be assessing how this process develops, looking for any actions on

the part of BGMEA that undermine the Accord's independent decision-making as well as its core mission of inspecting, remediating and when necessary, terminating factories that have failed to remediate issues.

The RMG Sustainability Council will include global brands, global and national trade unions and the BGMEA. The details have yet to be worked out and the investor community will be evaluating whether the governance structure affects the important role that labor has had as an equal decision-maker and whether the quality of the worker trainings and the independence and transparency of the safety inspections/remediation and grievance mechanism are maintained.

As investors in many of the global brands sourcing in Bangladesh, we urge:

1. The Bangladesh Government and BGMEA to support the comprehensive, independent, and legally-binding approach of the Accord, and extend it to all factories in the garment sector.
2. The global brands to actively participate in the RMG Sustainability Council and drive sustainable change to eliminate the risk to workers and ensure that this program maintains the same standards of transparency, independence and enforcement as the Accord has practiced for six years.

Investors have the responsibility to respect human rights and do their part to make sure garment workers are safe and secure, and ensure that global brands can be confident that risks to workers are being mitigated through a comprehensive, sustainable and legally-binding process.

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#### **About the Interfaith Center on Corporate Responsibility (ICCR)**

Celebrating its 49th year, ICCR is the pioneer coalition of shareholder advocates who view the management of their investments as a catalyst for social change. Its 300 member organizations comprise faith communities, socially responsible asset managers, unions, pensions, NGOs and other socially responsible investors with combined assets of over \$400 billion. ICCR members engage hundreds of corporations annually in an effort to foster greater corporate accountability. [www.iccr.org](http://www.iccr.org)

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