

Investor Statement on the 6th Anniversary of the Rana Plaza Building Collapse – April 24, 2019

The Bangladesh Investor Initiative, a group of institutional investors from around the world coordinated by the Interfaith Center on Corporate Responsibility, remains committed to the Accord on Building and Fire Safety, established to address workplace safety in Bangladeshi garment factories following the deaths of 1,134 workers in the Rana Plaza building collapse on April 24, 2013. On this sixth anniversary of the tragedy, the Accord faces an uncertain future. As investors in many of the major brands that source from Bangladesh, we are deeply concerned about preserving the momentous progress made by the Accord in building and fire safety. In a [previous statement](#) released February 12th, 2019, 190 institutional investors with over \$3 trillion in assets under management urged the Prime Minister of Bangladesh and the companies sourcing product from the Bangladeshi garment sector to publicly support the continuation of the Accord's work.

Since that statement, the Appellate Division of the Bangladesh Supreme Court has delayed the hearing for the Accord's continued operations for the eighth time until May 19th in order for the parties to negotiate. It is imperative to come to an agreement that grants the Accord the ability to operate in a way that will allow inspections and remediation to continue uninhibited. The Bangladeshi government's current position is to place excessive restraints on operations and prohibit identification of any and all new safety violations, rendering the Accord ineffective. The Accord must be allowed to operate independently and free from restrictions in order to identify and remediate safety violations of factories.

The Bangladeshi government has submitted to the Supreme Court that its Remediation and Coordination Cell (RCC) is ready to take on operations of inspections for factories. However, the RCC has not demonstrated it yet has the capacity to take over such operations in a secure and reliable way. A recently released report by non-governmental organizations entitled "[Bangladesh Government's Safety Inspection Agencies Not Ready to Take Over Accord's Work](#)" cites a "shocking level of unreadiness". Factories already covered under the RCC have not had their corrective action plans publicly updated on their websites since 2014. This does not illustrate a willingness to authentically engage in providing the same type of oversight the Accord has provided since its inception. As investors, we support a transition to the RCC only at such a time that indicators agreed to by the International Labor Organization and the Bangladeshi government have been met.

Delaying the decision to determine the future of the Accord has gone on too long and created an environment of uncertainty, operating from short extension to short extension. A more sustainable solution is necessary and urgent. The recent warehouse fire in the Chawkbazar area of Old Dhaka that killed 70 people and the fire at FR Tower in Banani that killed 25 people highlights how important the work of safety and fire inspections are. While the Accord has made impressive progress, the work is not complete. For example, more than half of Accord factories still need to fully install and test their fire detection and protection systems. This is not the time to phase out the Accord's comprehensive approach to inspecting and remediating fire and building safety issues in garment factories. The continued presence of the Accord on the other hand, with its record of identifying and remediating safety issues, provides assurance to brands and their investors that risks to workers and brand reputation are being mitigated.

We continue to call on the Bangladeshi government and the BGMEA to support the Accord and agree to allow the successful completion of its mandate without constraints. Additionally, we call on the brands of the Accord to publicly support its unrestricted continuation.