

Investor Statement Calling on Global Brands to Strengthen Worker Safety

In the Bangladesh Garment Sector

Investors welcome the legally-binding 3-year extension of the Accord for Fire and Building Safety that will enter into effect when the current program expires in May 2018. The new agreement between global trade unions and companies provides additional time to remediate safety issues found in garment factories and build effective worker safety committees which are an important component to mitigating risks to workers and reputational risks to global brands sourcing in Bangladesh. We urge all signatory companies of the 2013 agreement to sign the 2018 Accord and collectively accomplish systemic reform of the sector and secure the long-term sustainability of worker safety.

The Accord model, based upon a Steering Committee made up of equal numbers of representatives from companies and trade unions, along with an independent chair from the International Labor Organization, has proven to be successful in making factories significantly more safe than before the Accord was signed in May 2013. With an overall progress rate of 82% and more than 650 factories at more than 90% of remediation completion, the [Accord](#) has achieved most of its safety goals. The new agreement provides a unique opportunity to strengthen the original Accord by expanding the work to other related industries beyond garment factories where there are significant safety issues, such as: knitting, spinning & weaving; washing, dyeing & printing facilities; embroidery & accessories; home textiles; leather and footwear. In addition, the 2018 Accord includes new references to Freedom of Association and a training and complaints protocol to cover Freedom of Association protections in relation to workers protecting their own safety.

Much has been accomplished, but more needs to be completed since only 36% of the over 1,600 factories covered by the Accord have installed adequate fire detection and prevention systems and 50% have yet to complete worker safety trainings designed to build sustainable and credible systems for addressing safety concerns. Currently, there is no national regulatory body with the capacity to take over the Accord functions. In addition, the Alliance for Worker Safety has stated in its 4th [Annual Report](#) that the Alliance will sunset in 2018 and partner with local safety organizations in Bangladesh that will monitor factory progress and train workers.

To date, only 53 of the 220 Accord companies have signed the 2018 Accord. Regardless of the remediation progress within a company's own supply chain, the strength of the Accord is the collective leverage it represents through its current 220 signatories. Over \$50 million will be spent in the five-year period on the Accord inspections, remediation and workplace programs which could be weakened by diminished leverage that could cause Bangladeshi garment factories to backtrack without a strong Accord, the phasing out of the Alliance and no national regulatory body in place that demonstrates full capacity to inspect factories, compel remedies and protect workers.

The undersigned investors are concerned about the systemic risks to workers and companies that are not fully addressed. We therefore recommend:

1. Accord companies, who have yet to sign the 2018 Accord, do so during the first Quarter of this year.
2. Alliance companies, who are formally ending in 2018, sign on to the Accord and therefore maximize the leverage to complete safety reforms and strengthen the collective action to build the capacity of the Bangladesh government's oversight of worker safety by 2021.
3. Brands and retailers sourcing in the garment sector expand safety inspections to knitting, spinning & weaving; washing, dyeing & printing facilities; embroidery & accessories; home textiles; leather and footwear.
4. Brands, retailers and other stakeholders strengthen the [National Tripartite Plan of Action on Fire Safety and Structural Integrity](#) in Bangladesh's garment sector to ensure an integrated approach to promoting fire safety and building integrity and to provide a platform for stakeholders engaged in fire safety initiatives.

As investors we encourage all companies sourcing in Bangladesh's garment sector to take responsibility to build on the unprecedented fire and building safety work since 2013 and finish the task of remediating worker safety issues while mitigating the risk to brands and retailers who are connected to the long-term sustainability of the sector.

Total number of investor signatories: 147; Total AUM: over \$3.7 trillion USD

Signatories:

Aargauische Pensionskasse (APK), Switzerland	Natural Investments
ACTIAM	NEI Investments
Adrian Dominican Sisters, Portfolio Advisory Board	Nest Sammelstiftung, Switzerland
Allianz Global Investors	NN Investment Partners
AMP Capital	North East Scotland Pension Fund
Aquinas Associates	Northwest Coalition for Responsible Investment
Atkinson Foundation	OceanRock Investments Inc.
Ausbil Investment Management Limited	Our Ladies Missionaries
Australian Ethical Investment	Pensionskasse Caritas, Switzerland
Aviva Investors	Pensionskasse der Stadt Winterthur, Switzerland
AXA Investment Managers	Pensionskasse Stadt Luzern, Switzerland
Azzad Asset Management	Pensionskasse Unia, Switzerland
Bâtirente	Prévoyance Santé Valais (PRESV), Switzerland
Bernische Lehrerversicherungskasse, Switzerland	prévoyance.ne, Switzerland
BMO Global Asset Management (EMEA)	Profelia Fondation de prévoyance, Switzerland
Boston Common Asset Management	Prosperita Stiftung für die berufliche Vorsorge, Switzerland
Caisse de pensions de l'Etat de Vaud (CPEV), Switzerland	Redemptoristine Nuns
Caisse de pensions ECA-RP, Switzerland	Region VI Coalition for Responsible Investment
Caisse de prév. des Fonctionnaires de Police & des Etablissements Pénitentiaires, Switzerland	

Caisse de Prévoyance des Interprètes de
 Conférence (CPIC), Switzerland
 Caisse intercommunale de pensions (CIP),
 Switzerland
 Calvert Research and Management
 Candriam Investors Group
 CAP Prévoyance, Switzerland
 Castellum Capital Group
 CCAAP Caisse Cantonale d'Assurance Populaire,
 Switzerland
 CCOO, FP
 Christian Super
 Church of Sweden
 CIEPP - Caisse Inter-Entreprises de Prévoyance
 Professionnelle, Switzerland
 Compensation Employees' Union (CEU)
 Congregation of Holy Cross, Moreau Province
 Congregation of St. Joseph
 Dana Investment Advisors
 Daughters of Charity, Province of St. Louise
 Dignity Health
 Domini Impact Investments LLC
 Dominican Sisters ~ Grand Rapids
 Dominican Sisters of Hope
 Dominican Sisters of Sparkill
 Echo Foundation
 Ecumenical Council for Corporate Responsibility
 ERAFP (Etablissement de Retraite additionnelle
 de la Fonction publique
 Etablissement Cantonal d'Assurance (ECA
 VAUD), Switzerland
 Ethos Foundation, Switzerland
 Evangelical Lutheran Foundation of Eastern
 Canada
 Everence and the Praxis Mutual Funds
 Felician Sisters of North America
 Figure 8 Investment Strategies
 First Affirmative Financial Network
 Fjärde AP-fonden (AP4)
 Fondation de la métallurgie vaudoise du
 bâtiment (FMVB), Switzerland
 Fondation Leenaards, Switzerland
 Franciscan Sisters of Allegany, NY
 Franciscan Sisters of Perpetual Adoration
 Friends Fiduciary Corporation
 GES International AB
 Greenvest/VFG
 Hexavest
 Regroupement pour la Responsabilité
 sociale des Entreprises
 Responsible Investment Association
 Retraites Populaires, Switzerland
 Robeco
 School Sisters of Notre Dame - Central
 Pacific Province CR Committee
 School Sisters of Notre Dame Cooperative
 Investment Fund
 School Sisters of St. Francis
 SEAMARK Asset Management Ltd.
 Seventh Generation Interfaith Coalition for
 Responsible Investment
 Shareholder Association for Research and
 Education (SHARE)
 Sisters of Bon Secours USA
 Sisters of Charity of Saint Elizabeth
 Sisters of Charity, Halifax
 Sisters of Instruction of the Child Jesus
 Sisters of Mercy
 Sisters of Notre Dame Base Communities
 Sisters of Notre Dame de Namur
 Sisters of Providence - MJP
 Sisters of S. Francis of Philadelphia
 Sisters of Saint Joseph of Chestnut Hill,
 Philadelphia, PA
 Sisters of St. Dominic of Caldwell
 Sisters of St. Francis Charitable Trust,
 Dubuque
 Sisters of St. Joseph of Boston
 Sisters of St. Dominic of Blauvelt, New York
 Sisters of the Holy Cross
 Sisters of the Presentation, Aberdeen SD
 Socially Responsible Investment Coalition
 Solaris Investment Management
 Sonen Capital
 St. Joseph's Province House
 St. Joseph's Villa Foundation
 Stance Capital
 Stardust
 Stephen Whipp Financial
 Stiftung Abendrot, Switzerland
 Strathclyde Pension Fund
 Terre des hommes, Switzerland
 The Callan Foundation
 The Catherine Donnelly Foundation
 The Daly Foundation
 The Sustainability Group of Loring, Wolcott

IBVM Foundation of Canada, Loretto Sisters,
Canadian Province
JLens Investor Network
Local Government Super
Marianist Province of the U.S.
Maryknoll Sisters
Mennonite Education Agency
Mercy Health
Mercy Investment Services
Michael Silicz, Silicz Birdsall Advisory Group
Midwest Coalition Responsible Investment
Mirova
MN
Mount St. Scholastica
MP Pension
Natixis Asset Management

& Coolidge
Thomson, Horstmann & Bryant, Inc.
Trillium Asset Management
Triodos Investment Management
T'ruah: The Rabbinic Call for Human Rights
United Church of Canada
United Church of Canada Pension Plan
Ursuline Sisters
Ursuline Sisters of Tildonk, U.S. Province
Vancity Investment Management Ltd
VIP eV Association of Institutional
Shareholders
Walden Asset Management
Wetherby Asset Management
Youville Provident Fund
Zevin Asset Management