December 10, 2015

Steering Committee
Accord on Fire and Building Safety in Bangladesh

Dear Steering Committee Members,

Members and staff of the Interfaith Center on Corporate Responsibility (ICCR) appreciated the opportunity to meet with you October 15th in New York City. Since May of 2013, ICCR has coordinated the Bangladesh Investor Initiative, a group of 250 institutional investors from twelve countries with over $4.5 trillion assets under management. The initiative has been a strong supporter of the Accord for Fire and Building Safety, not only because of the importance of addressing the challenges of creating safe and healthy workplaces in the Bangladesh garment sector, but also because we view the Accord—its governance and approach—as a model for supply chain responsibility and accountability beyond Bangladesh to other countries and sectors.

It was good to hear directly from company and union representatives on the Steering Committee as well as Accord staff on key developments at this stage in the five year process. Garment workers are safer now than they were 2 years ago. But, as we discussed, investors are concerned at the slow pace of remediation. We are encouraged by Steering Committee decisions in October to put in place a clear plan, including an assessment of why many factories are not addressing issues identified in the inspections, allocating additional funds to increase follow-up inspections and monitoring capability; getting better data on the role of financing in delaying remediation; and leveraging the big brands to have more impact across a larger number of factories (Accord Steering Committee Quarterly Face to Face Meeting-Minutes). We believe it is critical that all Accord signatories take serious action to overcome any obstacle to timely remediation since the health and lives of workers are at stake.

We also discussed the importance of creating and empowering the Occupational Safety and Health (OSH) Committees to address fire, electrical and structural issues before they become serious. We appreciated the report on the Accord pilot factories where unions exist, but our concern is focused on how OSH committees will be established in the vast majority of factories where unions do not exist. The Bangladesh garment sector historically has opposed the empowerment of workers and the exercise of trade union rights under ILO conventions. We believe it is critically important that the Accord ensure worker representatives to the OSH committees are appointed independently from management influence. Properly constituted, the committees are an effective institutional mechanism to detect and prevent safety issues from jeopardizing the health or life of any worker. The long-term sustainability of the Accord program is dependent in part on the credible involvement of workers and we expect member signatories to implement their obligations under Article 17 with respect to the establishment of health and safety committees.
We would welcome periodic updates on developments with regards to the pace of remediation efforts and the establishment of OSH committees. We commend the Accord for making significant progress and we hope that the important progress to date can be secured through effective action on these important issues. We would appreciate it if you could share this letter with all Accord signatories.

We look forward to continued dialogue with the Accord Steering Committee and its dedicated staff. Together you are working to transform the entire industry.

Thank you.

Best regards,

[Signature]

Rev. David M. Schilling
Senior Program Director
Interfaith Center on Corporate Responsibility
212-870-2928
dschilling@iccr.org