Investor Statement for the 10th Anniversary of Rana Plaza

April 24, 2023 marks the 10th anniversary of the Rana Plaza building collapse in Bangladesh which killed 1,138 garment workers and injured another 2,500. On this day, we pause to remember those workers and their families who still live with the legacy of one of the worst workplace disasters in modern history. The Rana Plaza building collapse was an avoidable tragedy and exposed the human rights risks of outsourcing apparel manufacturing to factories with inadequate safeguards to protect workers.

In response, the Accord on Fire and Building Safety in Bangladesh (Bangladesh Accord) was signed on May 13, 2013, a legally binding agreement between global brands and unions to reform the sector and create safe factories. That same month, a group of over 200 investors and their representatives, with over $4 trillion in assets under management and advisement, quickly mobilized to form the Interfaith Center on Corporate Responsibility’s Bangladesh Investor Initiative to use their collective influence to urge apparel brands and retailers to join the Accord.

In the past decade, the Accord has established safer factories in Bangladesh for over 2 million workers through unprecedented collective action, including;

- Implementing an effective, **legally binding** model that has remediated major fire, electrical and structural safety hazards;
- Requiring brands to provide their suppliers with **commercial terms** or alternative means of financing to maintain safe workplaces and to make the necessary changes to remediate safety violations found through independent factory inspections conducted by qualified engineers;
- Tracking each factory’s **remediation plan**;
- Ensuring **collective leverage** is exercised on non-compliant factories through an escalation procedure leading as a last resort to the termination of the business;
- Conducting **worker safety trainings**, and;
- Establishing a trusted **grievance mechanism** and maintaining a **high level of transparency** about detailed factory inspection findings and required corrective actions.

The Accord has built its reputation with workers and a broad range of national and international stakeholders, including investors, as a credible, independent, and worker-driven initiative based on worker engagement and accountability measures that are transforming the garment sector by mitigating safety risks in participating factories, saving thousands of lives in the process.

**A New Era for Companies and Investors to Respect Human Rights**

While the Accord has been a frontrunner in developing a legally binding system designed to protect workers and give them a mechanism for redress, the legal and regulatory landscape is moving in a similar direction with a growing number of initiatives that recognize the corporate responsibility to respect human rights as defined by the **UN Guiding Principles on Business and Human Rights** through implementing robust human rights due diligence.
Several examples are the German Supply Chain Due Diligence Act and the European Union’s Corporate Sustainability Due Diligence Draft Directive, which include the implementation of mandatory human rights and environmental due throughout operations and value chains. In addition, the International Labor Conference elevated the importance of health and safety in June 2022 by adding safety and health in the workplace to the Fundamental Principles of Rights at Work’s core labor standards on forced labor, child labor, nondiscrimination, and freedom of association and collective bargaining.

In the current policy environment, companies are increasingly required to show how they effectively implement human rights due diligence to address salient human rights issues across their operations and value chains. Companies need to prepare and ensure compliance with relevant laws and regulations. If not already a signatory, the best way to ensure due diligence on health and safety issues is to join the International Accord and the Pakistan Accord.

**International and Pakistan Accords**

As a mark of its success, the Bangladesh Accord, a five-year agreement, was renegotiated in 2018 which extended the program for three years and then was enshrined in 2021 by the International Accord for Health and Safety in the Textile and Garment Industry. This explicit agreement included future expansion to other countries and was supported by 194 brands and retailers.

Investors welcome the expansion of the International Accord for Health and Safety to Pakistan in January 2023. The Pakistan Accord will contribute to building a culture of worker safety in 500-700 supplier factories producing for major European and U.S. brands.

When the Pakistan Accord is fully implemented, its scope will cover ready-made garments, home textiles, fabric and knit accessories, and fabric mills producing for brand signatories. All issues affecting the health and safety of workers will be in scope, including gender-based violence and harassment, excessive hours of work, maternity pay and leave, and freedom of association in relation to protecting worker safety.

**Investor Call to Action**

We, the undersigned investors and their representatives, ask companies in our portfolios to commit to safeguarding the health and safety of workers in Bangladesh, Pakistan and throughout global supply chains by committing to the following:

1. Accelerate and strengthen the implementation of human rights due diligence as defined by the UN Guiding Principles on Business and Human Rights with increased attention given to remedy, in their operations and value chains as part of their ‘corporate responsibility to respect human rights’.
2. If your company sources from suppliers in Bangladesh or plans to do so in the near future, sign the International Accord, covering the workplace safety program in Bangladesh.
3. If your company sources from Pakistan or plans to do so in the near future, sign the Pakistan Accord. There are approximately 110 companies that have signed on to the International Accord that source from suppliers in Pakistan. To date, 43 of the largest Accord brands have become signatories to the Pakistan Accord, and we urge all others to follow their example.
4. Join the Employment Injury Scheme (EIS) Pilot in the garment sector of Bangladesh, an innovative tripartite initiative that involves the ILO, government, brands, trade unions, and employers, in creating a social protection scheme including compensation for medical treatment and rehabilitation services, as well as income loss caused by occupational injuries and disease.

As investors, we have the responsibility to use our leverage to effect positive change. For this reason, we ask companies in our portfolios to put human rights at the core of their business models and worker health and safety as a top priority in their supply chain management.