

Investor Statement on the 3rd Anniversary of the Rana Plaza Tragedy – April 24, 2016

Three years have passed since the collapse of the Rana Plaza building in Bangladesh resulting in over 1,100 garment workers killed and 2,600 injured. This massive tragedy drew attention to the systemic human rights abuses in the garment sector, as well as the failure of the Bangladesh government and corporate compliance programs to create safe and healthy workplaces that respect and protect the lives of workers.

As an [immediate response](#) following the April 2013 crisis in Bangladesh, over 200 global institutional investors representing over \$3.1 trillion in assets under management appealed to companies to: join the Accord on Fire and Building Safety that includes trade unions, companies and non-governmental organizations; commit to strengthening local trade unions and ensuring a living wage for all workers; publicly disclose all their suppliers including those from Bangladesh, and; ensure that appropriate grievance mechanisms and effective remedies, including compensation, are in place for affected workers and families.

Some positive steps have been taken. An unprecedented number of global brands and retailers have collaborated to address the immediate and short-term threats to worker safety in the garment sector.

- **International Collaboration:** Over 200 companies from 20 countries joined the Accord on Fire and Building Safety, a binding agreement where trade unions and companies participate in the governance structure as equal partners.
- **Factory Inspections/Remediation:** The Accord has completed more than 1,600 inspections and the Alliance for Worker Safety, a separate initiative formed by U.S. companies, has completed about 650 inspections. The Accord has posted detailed inspection reports on issues found in factory inspections and the status of corrective action plans.
- **Remedy:** Non-governmental organizations and investors advocated for companies to contribute to the *Rana Plaza Donors Trust Fund* and a number of companies made significant contributions to meet the goal of \$30 million to compensate victims and their families for medical care and lost wages.

While expert inspections have identified thousands of issues, the vast majority of corrective action plans are far behind schedule. The lack of speedy remediation may in part be the result of a lack of financing.

Bangladesh labor law requires the establishment of worker/management Safety Committees in each garment factory. The government delayed issuing the rules and procedures for the formation of the Safety Committees. Now that the rules have been made public, we are concerned that the Worker Participation Committees (WPC), often controlled by factory management, will appoint worker representatives to the Safety Committees, rather than holding democratic elections. This would undermine the credibility of these committees to independently identify and address threats to worker safety. When properly established, the Safety Committees can be an effective institutional mechanism to detect and prevent safety issues from jeopardizing the health and safety of workers, avoiding another Rana Plaza.

In spite of this collective action and substantial investment in changing the garment sector, we, the undersigned investors, are concerned by the lack of significant progress in addressing persistent systemic issues which continue to not only put workers at risk, but also pose material, financial and reputational risk for companies and their investors. Much still needs to be accomplished in the remaining two years of the 5-year commitment, and increased transparency is critical for investors to better understand and assess what level of progress is being made at the factory level.

Therefore, we call on companies to:

- 1. Commit sufficient financial resources and provide commercial terms that enable factories to complete remediation, and to report on the nature and amount of financial support.**
- 2. Use their leverage with factories where they source to create an environment conducive for the establishment of effective, proactive, independent Safety Committees.**
- 3. Publicly disclose their supplier factories and sub-contractors, starting in Bangladesh.**

Lastly, we call on companies, the Accord, and the Alliance to commit beyond 2018 to complete the remediation process; work with other stakeholders to support a living wage for garment workers; and create an environment where workers are able to exercise their internationally recognized rights to freely associate and bargain collectively. It is our hope that collaborative action will lead to the transformation of the Bangladesh garment sector and serve as a successful model to replicate in other markets and sectors.

Bangladesh Leadership Team:

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Trillium Asset Management

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Missionary Oblates

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General Counsel & Director of Shareholder
Activism
Domini Social Investments

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Research
Calvert Investments

Rev. David Schilling

Senior Program Director
Interfaith Center on Corporate Responsibility

Total number of investor signatories: 139; Total AUM: over \$3.1 trillion USD

Signatories:

ACTIAM, Netherlands	Adrian Dominican Sisters, United States
American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), United States	Allianz Global Investors, Germany
Anglican Diocese of Ottawa, Canada	Aquinas Associates, United States
ASN Bank, Netherlands	ATI, United Kingdom
Ausbil Investment Management Ltd, Australia	Australian Ethical Investment, Australia
Aviva Investors, United Kingdom	AXA Investment Managers, United Kingdom
Azzad Asset Management, United States	Batirente, Canada
BC Teachers' Federation, Canada	Benedictine Sisters of Erie, United States
Benedictine Sisters of Mount St. Scholastica, United States	Benedictine Sisters of Pan de Vida, Torreon, Mexico
Benedictine Sisters, Boerne, Texas, United States	BNP Paribas Investment Partners, France
Bon Secours Health System, Inc., United States	C.S de Comisiones Obreras, FP, Spain
Callan Foundation, The, Canada	Canadian Labour Congress Staff Pension Plan, Canada
Candriam Investors Group, Belgium	Capuchin Province of St. Joseph, United States
Castellum Capital Group, MacDougall Investment Counsel, Canada	Christian Brothers Investment Services, United States
Christian Super, Australia	Christopher Reynolds Foundation, United States
Church of Sweden, The, Sweden	Clean Yield Asset Management, United States
Columbia Institute, Canada	Congregation of Sisters of St. Agnes, United States
Congregation of St. Basil, Canada	Congregation of St. Joseph, The, United States
Corporate Governance (aka CorpGov.net), United States	Dana Investment Advisors, United States
Daughters of Charity, Province of St Louise, United	Dignity Health, United States

States

Dominican Sisters - Grand Rapids, United States	Dominican Sisters of Hope, United States
Ecumenical Council for Corporate Responsibility, United Kingdom	ERAFP - French Public Service Additional Pension Scheme, France
Ethiquette.ca, Canada	Ethos Foundation, Switzerland
Evangelical Lutheran Foundation of Eastern Canada, Canada	Everence and the Praxis Mutual Funds, United States
Fashion Takes Action, Canada	First Affirmative Financial Network, LLC, United States
Fourth Swedish National Pension Fund, Sweden	Friends Fiduciary Corporation, United States
GES International AB, London	Glasswaters Foundation, Canada
Green America, United States	Harvard Law School Program on Corporate Governance, United States
Heat and Frost Local Union 118 Pension Fund, The, Canada	Hermes Investment Management, United Kingdom
Hexavest, Canada	IBVM Canadian Province (Loretto Sisters), Canada
IVM Caring Capital, Netherlands	JLens Network, United States
Local Government Super, Australia	Marianist Province of the U.S., United States
Marianists International NGO, United States	Maryknoll Sisters, United States
Mennonite Education Agency, United States	Mercy Health, United States
Mercy Investment Services, United States	Midwest Coalition for Responsible Investment, United States
Mirova, France	Missionary Oblates USP, United States
Natixis Asset Management, France	Natural Investments, United States
NEI Investments, Canada	North East Scotland Pension Fund, United Kingdom
NorthStar Asset Management, Inc., United States	Northwest Coalition for Responsible Investment, United States
Oblate Investment Pastoral Trust, United States	OPSEU Staff Pension Plan, Canada

Our Lady's Missionaries, Canada	Pension Boards - United Church of Christ, Inc., United States
Pension Plan of The United Church of Canada, Canada	PKA, Denmark
Principled Investing LLC, United States	Region VI Coalition for Responsible Investment, United States
Responsible Investment Association, Canada	Responsible Sourcing Network, United States
Robert F. Kennedy Human Rights, United States	School Sisters of Notre Dame Cooperative Investment Fund, United States
School Sisters of Notre Dame, Central Pacific Province Corporate Responsibility Committee, United States	School Sisters of St. Francis, Inc., United States
Seventh Generation Interfaith Inc., United States	ShareAction, United Kingdom
Shareholder Association for Research and Education (SHARE), Canada	Sinsinawa Dominican Shareholder Committee, United States
Sisters of Bon Secours, United States	Sisters of Charity, Halifax, Canada and the United States
Sisters of Charity of New York, United States	Sisters of Charity, BVM, United States
Sisters of Providence - Mother Joseph Province, United States	Sisters of St. Dominic of Blauvelt, NY, United States
Sisters of St. Dominic of Caldwell, NJ, United States	Sisters of St. Francis of Philadelphia, United States
Sisters of St. Joseph of Springfield, United States	Sisters of the Good Shepherd-Province of NY, United States
Sisters of the Instruction of the Child Jesus, Canada	Sisters of the Presentation of the BVM, Aberdeen SD, United States
Socially Responsible Investment Coalition, United States	Solaris Investment Management Limited, Australia
Sonen Capital, United States	St. Joseph Health, United States
St. Joseph's Province House, Canada	St. Joseph's Villa Foundation, Canada
Stephen Whipp Financial, Canada	Strathclyde Pension Fund, United Kingdom

Sustainability Group at Loring, Wolcott & Coolidge,
United States

Sustainable Value Investors, Italy

Trinity Health, United States

Triodos Investment Management, The Netherlands

Tri-State Coalition for Responsible Investment,
United States

T'ruah: The Rabbinic Call for Human Rights, United
States

United Church Funds, United States

United Church of Canada, Canada

University of St. Michael's College, Canada

Ursuline Religious of the Diocese of London,
Canada

Ursuline Sisters of Tildonk, U.S. Province, United
States

Vancity Investment Management Ltd., Canada

Walden Asset Management, United States

Xaverian Brothers, United States

York University, Canada

Youville Provident Fund, Canada

Zevin Asset Management, United States