

## **Investor Statement in Support of the Continued Functioning of the Accord to Ensure Bangladesh Factories are Safe for Garment Workers.**

In May 2013, following the tragic building collapse of Rana Plaza and the death of 1,138 factory workers, the Bangladesh Accord for Fire and Building Safety (Accord) was signed to implement specific safety measures within a five year term and to help build the government of Bangladesh's capacity to assume this oversight responsibility. While substantial progress has been made since 2013, Accord stakeholders agree that the safety goals have not yet been fully achieved nor is the government of Bangladesh fully ready to take over the functions of the Accord. In spite of this, the High Court of the Supreme Court of Bangladesh ruled in June, 2018 that the Accord's approval to operate will expire at the end of November 2018.

The Bangladesh Investor Initiative, a group of 250 institutional investors from 12 countries and coordinated by the Interfaith Center on Corporate Responsibility, has been an early and strong advocate for the mission and model of the Accord, closely tracking its progress over the course of these five years. The success of the Accord model relies on the unprecedented collective action of trade unions, brands and their supplier factories and the International Labor Organization: this model, proven to be effective, is needed to finish the job and not allow the hard-earned gains to slip away.

As shareholders in a number of the companies sourcing product in the garment sector, the undersigned investors are concerned that the precipitous termination of the Accord would be too costly for worker health and safety and to brands and their investors that depend upon a secure, safe workforce. We therefore urge the government of Bangladesh to make a re-submission to the High Court to enable the Accord to operate until such time as a national safety regulatory body is established and fully prepared to assume control of the Accord's mandate.

In June 2017, global brands and unions signed the [2018 Transition Accord](#), in recognition of the need for additional time required to complete remediation of safety issues. To date, about 190 companies have signed the 2018 Transition Accord, which includes a process to transition responsibility to a national safety regulatory body (Remediation Coordination Cell) once it has the capacity, but no later than May 2021. This agreement also includes an evaluation every six months to determine whether this national safety regulatory body has the capacity to conduct inspections, monitor, process complaints, train workers and be fully transparent about remediation progress and decision-making processes.

In October 2017, the Accord companies and unions, the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), and the government of Bangladesh agreed to form a Transition Monitoring Committee (TMC) comprising representatives of each institution, as well as the International Labor Organization and chaired by the government. The purpose of the TMC was to evaluate the government's readiness to take on its duty to protect the safety of garment factory workers. Only once the TMC determined this readiness would the Accord begin a six-month process of winding down its operations. The High Court's decision revokes the Accord's authorization to function beyond November, effectively pre-empting this collaborative TMC process.

Worker health and safety cannot be ensured over the long-term without credible and effective regulatory systems. Ending the work of the Accord before these systems are in place is hazardous to workers, their families, brands and investors. This situation would make it difficult for companies to conduct “human rights due diligence” processes in accordance with the UN Guiding Principles on Business and Human Rights (UNGPs) and the OECD Guidelines for Multinational Enterprises. Signatory companies and their investors have relied on the Accord to ensure safe working conditions in Bangladesh garment factories: without the Accord or adequate regulatory systems to provide these assurances, brands may need to source elsewhere, deeming Bangladesh too risky.

We believe the progress made by the Accord companies can be secured by staying the course until such time as the government of Bangladesh can fulfill its duty to protect the lives of its workers.

The undersigned investors:

1. Urge the government of Bangladesh to make a re-submission to the High Court explicitly expressing support for the Transition Monitoring Committee arrangement to prevent the 30 November 2018 shutdown of the Accord’s operations in Bangladesh prior to meeting the agreed-upon criteria.
2. Support the brands’ expressed position at the EU Sustainability Compact meeting on 25 June 2018 that it is crucial that the work of Accord remediation be completed and that a premature shut down of the Accord would jeopardize the brands’ ability to source from a safe industry. (See statement: <http://bangladeshaccord.org/wp-content/uploads/accord-statement.pdf>)
3. Support the brands’ responsibility to respect human rights based on the UNGPs and to apply the ‘human rights due diligence’ process to make sure that the continued safety of workers in the garment factories where they are sourcing is secured.
4. Urge the Accord signatories to communicate to suppliers, the BGMEA and the government of Bangladesh their full support of the Accord as a prerequisite for the continued improvement of worker health and safety and expression of responsible sourcing practices.

As investors, we support companies that continue their membership in this historic initiative. The Accord for Fire and Building Safety has proven its potential to transform the Bangladesh garment sector. The Accord should now be permitted to complete its mandate to remediate all safety issues and to assist in building the capacity of the government of Bangladesh to fully assume its responsibility to protect human rights in the garment sector.

Total number of investor signatories: 153

Total AUM: over \$2.8 trillion USD

Signatories:

Aargauische Pensionskasse (APK), Switzerland  
ACTIAM  
Adrian Dominican Sisters, Portfolio Advisory Board  
AFL-CIO

NEI Investments  
Nest Sammelstiftung, Switzerland  
NN Investment Partners  
Nordea Asset Management

American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)  
 AMP Capital  
 AP3 Tredje AP-fonden  
 AP4 (Fjärde AP-fonden)  
 APG | Asset Management US Inc.  
 Aquinas Associates  
 Atkinson Foundation  
 Australian Ethical Investment  
 Aviva Investors  
 Azzad Asset Management  
 Bâtirente  
 Bernische Lehrerversicherungskasse, Switzerland  
 Boston Common Asset Management  
 British Columbia Teachers' Federation  
 Caisse de pensions de l'Etat de Vaud (CPEV), Switzerland  
 Caisse de pensions ECA-RP, Switzerland  
 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  
 Canadian Religious Stewardship  
 CANDRIAM  
 CAP Prévoyance, Switzerland  
 CCAP Caisse Cantonale d'Assurance Populaire, Switzerland  
 Christian Church Foundation and Disciples Women  
 CIEPP - Caisse Inter-Entreprises de Prévoyance Professionnelle, Switzerland  
 Congregation of Holy Cross, Moreau Provincee  
 Congregation of Sisters of St. Agnes  
 Congregation of St. Joseph  
 Congregation of The Sisters of Mercy of Newfoundland  
 Dana Investment Advisors  
 Daughters of Charity, Province of St. Louise  
 Dignity Health  
 Domini Impact Investments  
 Dominican Sisters ~ Grand Rapids  
 Dominican Sisters of San Rafael  
 ERAFP  
 Etablissement Cantonal d'Assurance (ECA VAUD), Switzerland  
 Ethos Foundation, Switzerland  
 Everence and the Praxis Mutual Funds  
 Felician Sisters of North America  
 Felician Sisters of St. Francis of Canada  
 North American Province of the Congregation of Our Lady of the Cenacle, Inc.  
 North East Scotland Pension Fund  
 NorthStar Asset Management, Inc.  
 Northwest Coalition for Responsible Investment OFI AM  
 OMI Lacombe Canada Inc.  
 Our Lady's Missionaries  
 Palos Wealth Management Inc  
 Pensions Caixa 30  
 Pensionskasse Caritas, Switzerland  
 Pensionskasse der Stadt Winterthur, Switzerland  
 Pensionskasse Stadt Luzern, Switzerland  
 Pensionskasse Unia, Switzerland  
 Prévoyance Santé Valais (PRESV), Switzerland  
 prévoyance.ne, Switzerland  
 Principles for Responsible Investment  
 Profelia Fondation de prévoyance, Switzerland  
 Prosperita Stiftung für die berufliche Vorsorge, Switzerland  
 PSAC Staff Pension Plan  
 Redemptorisitne Nuns in Canada  
 Region VI Coalition for Responsible Investment  
 Religious of the Sacred Heart of Mary  
 Retraites Populaires, Switzerland  
 Roman Catholic Archdiocese of Toronto  
 SAGE Connected Investing  
 School Sisters of Notre Dame - CP Province CR Committee  
 School Sisters of Notre Dame Cooperative Investment Fund  
 Seventh Generation Interfaith Coalition for Responsible Investment  
 Shareholder Association for Research & Education (SHARE)  
 Silicz-Birdsall Advisory Group  
 Sisters of Charity of Saint Elizabeth  
 Sisters of Notre Dame Base Communities  
 Sisters of Notre Dame de Namur  
 Sisters of Notre Dame de Namur Base Communities  
 Sisters of St. Dominic of Blauvelt, NY  
 Sisters of St. Dominic of Caldwell  
 Sisters of St. Dominic/Racine Dominicans  
 Sisters of St. Francis Charitable Trust, Dubuque  
 Sisters of St. Francis of Philadelphia  
 Sisters of St. Joseph of Boston  
 Sisters of St. Joseph of Orange

Figure 8 Investment Strategies

First Affirmative Financial Network  
Fondation de la métallurgie vaudoise du bâtiment (FMVB), Switzerland  
Fondation Leenaards, Switzerland  
Fondo de Pensiones de Empleados de Telefónica  
Franciscan Sisters of Benevolent Society  
Franciscan Sisters of Perpetual Adoration  
Friends Fiduciary Corporation  
Genus Capital Management  
Greenvest  
Hampshire College  
Heartland Initiative  
HIP Investor Inc. and HIP Investor Ratings LLC  
IBVM Canadian Province (Loretto Sisters)  
Impact Investors  
Impax Asset Management  
JLens  
KEPLER-FONDS KAG  
Le Regroupement pour la responsabilité sociale des entreprises (RRSE)  
Local Government Super  
Marianist Province  
Maryknoll Sisters  
Mennonite Education Agency  
Mercy Investment Services, Inc.  
Midwest Coalition Responsible Investment  
Miller/Howard Investments, Inc.  
Mirova  
Missionary Oblates USP  
MN  
Mount St Scholastica Atchison KS  
Natural Investments

Sisters of the Good Shepherd  
Sisters of the Holy Cross  
Sisters of the Holy Names of Jesus and Mary.  
Sisters of the Most Precious Blood  
Social Justice Committee at the UU Congregation at Shelter Rock  
Solaris Investment Management  
Sonen Capital  
St. Joseph's Province House Inc.  
St. Joseph's Villa Foundation  
Stephen Whipp Financial  
Stiftung Abendrot, Switzerland  
Strathclyde Pension Fund  
T'ruah: The Rabbinic Call for Human Rights  
Terre des hommes, Switzerland  
The Callan Foundation  
The Paulist Center, Boston  
The Paulist Fathers of Toronto  
Tri-State Coalition for Responsible Investment  
Trillium Asset Management  
Triodos Investment Management  
TRUSTEAM FINANCE  
Union Investment  
United Church of Canada  
United Church of Canada Pension Plan  
United Reformed Church  
University of St. Michael's College  
Ursuline Sisters of Chatham  
Vancity Investment Management Ltd.  
Veris Wealth Partners  
Walden Asset Management  
Xaverian Brothers  
Youville Provident Fund