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                      NEI Investments
ACTIAM                                                          Nest Sammelstiftung, Switzerland
Adrian Dominican Sisters, Portfolio Advisory Board               NN Investment Partners
AFL-CIO                                                          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 Lehrererversicherungskasse, 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 prévoyance des Fonctionnaires de Police & des Etablissements Pénitentiaires, Switzerland
Caisse de Prévoyance des Interprètes de Conférence (CPI), 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 Province
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
Redemptoristine 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
Greenest
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
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