

INVESTOR STATEMENT ON BANGLADESH

May 16th, 2013

In light of a series of recent calamities in Bangladesh apparel manufacturing plants resulting in an overwhelming loss of life, we, the undersigned investors and stakeholders including 123 organizations representing over \$1.2 trillion in assets under management, are calling on industry leaders to implement systemic reforms that will ensure worker safety and welfare, and to adopt zero tolerance policies on global supply chain abuses.

The November fire in the Tazreen garment factory, the collapse in April of the Rana Plaza, and a second deadly fire on May 8th in a sweater factory in Dhaka have resulted in the death of over 1,500 garment workers and at least another 1,000 seriously injured. While these individual incidents have different root causes, collectively, they are a grave indictment of the human rights record of Bangladesh, and an illustration of the failure of the global companies that manufacture and source their products there to ensure humane working conditions.

The current model, which assures global customers will have a ready supply of inexpensive and up-to-the-minute fashion, incentivizes corruption and lax oversight as low-cost producing nations compete in a race to the bottom for garment manufacturing contracts. Local governments can turn a blind eye to audit irregularities in an attempt to attract investment to their struggling economies. Global companies have seen their valuable brands put at risk by a shell game that makes oversight near-impossible, as local suppliers move manufacturing to unsafe factories without their clients' knowledge. Caught in the middle are poor and largely unskilled factory workers with no recourse but to risk their lives by continuing to report for work every day in factories they know to be hazardous, only to earn a wage considered indecent by any international standard. Clearly, the current model is broken.

As shareholders who have been engaging apparel companies and retailers to foster responsible sourcing practices, including human rights due diligence with robust audit oversight in global supply chains, we see the events in Bangladesh as a watershed moment for the industry. Regardless of whether products are being sourced from Bangladesh, Guatemala, China or the Philippines, morality dictates that the price/value calculus for all manufactured goods must begin with the fundamental human rights of workers, including health and safety, freedom of association and collective bargaining and a living wage.

We call on brands and retailers to collectively pledge to implement the internationally recognized core labor standards of the International Labor Organization. Further, we expect companies to acknowledge their human rights responsibilities as delineated in the "protect, respect and remedy" framework of the *UN Guiding Principles on Business and Human Rights*. These principles affirm the duty of governments to *protect* the human rights of their citizenry and the responsibility of companies to *respect* human rights regardless of where they do business, and further, to provide *remedy* in the case of human rights abuse.

Acting alone, companies can and do bring about meaningful and positive changes in human rights in the countries where they source and manufacture, and we encourage companies to be part of the solution to ensure better working conditions in Bangladesh. But when faced with intransigence of the type we have historically seen in Bangladesh on worker safety issues, we are convinced that systemic change will only occur when companies take action together. They must use the full force of their commercial power to press for reforms. The Bangladesh Garment Manufacturers and Export Association has a special responsibility to bring its members into compliance with basic safety measures.

As an immediate response to the crisis in Bangladesh we appeal to companies to:

- Join the multi-stakeholder initiative--the Accord on Fire and Building Safety--that includes the International Labor Organization, non-governmental organizations, trade unions and companies, to implement plans with measurable goals to address all aspects of fire and building safety in a timely manner.
- Commit to strengthening local trade unions and to ensuring a living wage for all workers.
- Publicly disclose all their suppliers including those from Bangladesh, the programs they have in place to ensure the safety and health of all their workers and their performance against these goals including any corrective action.
- Ensure that appropriate grievance mechanisms and effective remedies for affected workers and families, including compensation, are in place.

The horrific loss of life in Bangladesh serves to once again highlight the difficulties in building accountability into global supply chains. As investors, we also bear responsibility to enhance the power of the private sector to effect positive change by engaging companies to ensure that human rights remain at the core of their business models.

We will engage the relevant companies we hold, asking for meaningful and transparent implementation of safeguards to prevent future Rana Plazas from occurring.

Signatories to the Bangladesh Investor Statement as of May 16th, 2013, managing more than \$1.2 trillion:

Boston Common Asset Management, LLC

Domini Social Investments LLC

Interfaith Center on Corporate Responsibility

Missionary Oblates of Mary Immaculate

Trillium Asset Management

American Baptist Home Mission Society

American Federation of Labor and Congress of Industrial Organizations

Aquinas Associates

ASN Bank

Aviva Investors

Bank Sarasin & Co. Ltd

Batirente

The Benedictine Sisters of Boerne, Texas

Benedictine Sisters of Mount St. Scholastica

Benedictine Sisters of Pan de Vida Monastery in Torreon, Mexico

Birch Caring Capital

Bon Secours Health System

Calvert Investments

Catholic Health East

Catholic Health Initiatives

Catholic Health Partners

Christian Brothers Investment Services

Christopher Reynolds Foundation

The Church of Sweden

Clean Yield Asset Management

Cleveland Ursuline Sisters

The Climate Bonds Initiative

Climate Strategy & Partners

Conference on Corporate Responsibility of Indiana and Michigan (CCRIM)

Congregation of St. Basil

Congregation of St. Joseph

Congregation of the Sisters of the Holy Cross, Notre Dame, Indiana

Cooperative Asset Management

Corporate Governance

Dignity Health

Diocese of Springfield, IL

Dominican Sisters of Hope

Dominican Sisters of Sparkill

Dominican Sisters of Springfield, IL

DoubleDividend

EIRIS

Ethical Markets Media

Ethos Foundation, Switzerland

Everence Financial and the Praxis Mutual Funds

First Affirmative Financial Network

Franciscan Friars (OFM), St. John the Baptist Province, Office of Justice, Peace and Integrity of Creation

Franciscan Sisters of Little Falls

Friends Fiduciary Corporation

General Service of Justice, Peace and Integrity of Creation of the Missionary Oblates of Mary Immaculate

GES

Global Fund for Women

Green America

Green Century Capital Management

Jessie Smith Noyes Foundation

Justice for North America

Krull & Company

Leadership Council for the Sisters, Servants of the Immaculate Heart of Mary, Monroe MI

Leadership Team of the Felician Sisters of North America

LPL Financial, LLC

Marianist Province of the U.S.

Maryknoll Fathers and Brothers

Maryknoll Sisters

Mercy Investment Services

Middletown Works Hourly and Salaried Union Retirees Health Care Fund

Midwest Coalition for Responsible Investment

Mutual Fund Sub-Advisory Services

Natural Investments

Northwest Coalition for Responsible Investment

Oblate International Pastoral Investment Trust

Oneida Tribe of Indians of Wisconsin

Oneida Trust Committee

Pax World

The Pension Boards – United Church of Christ, Inc.

Portfolio Strategies Securities Inc.

Presbyterian Church (U.S.A.)

Progressive Asset Management

Racine Dominicans SRI Committee

Region VI Coalition for Responsible Investment

The Regroupement pour la Responsabilité Sociale des Entreprises

Responsible Sourcing Network

Robert F Kennedy Center for Justice and Human Rights

Rockefeller & Co. Sustainability & Impact Investing Group

Scottish Widows Investment Partnership

ShareAction

Sisters of Charity- Halifax

Sisters of Charity of Cincinnati

Sisters of Charity of Leavenworth

Sisters of Charity of Saint Elizabeth, NJ

Sisters of Charity of the Blessed Virgin Mary

Sisters of Providence – Mother Joseph Province Leadership Team

Sisters of St. Joseph of Chestnut Hill, Philadelphia

Sisters of St. Dominic, Amityville NY

Sisters of St. Dominic of Caldwell, NJ

Sisters of St. Francis of Philadelphia

Sisters of St. Francis of the Holy Cross

Sisters of St. Joseph of Brentwood

Sisters of St. Joseph of Springfield, MA

Sisters of the Good Shepherd, New York Province

Sisters of the Presentation

SNS Asset Management

The Socially Responsible Investment Coalition (SRIC)

Society of Jesus- MAR, NEN and NYK Provinces

St. Joseph Health System

Strathclyde Pension Fund

The Sustainability Group of Loring, Wolcott & Coolidge

Sustainable Equity Value Ltd.

Transform Capital Management

Trinity Health

Tri-State Coalition for Responsible Investment

UCC Pension Boards

Unitarian Universalist Association

United Church Funds

Ursuline Sisters of Tildonk, U.S. Province

Ursulines of Eastern Province, USA

US Province of the Religious of Jesus and Mary

US SIF: The Forum for Sustainable and Responsible Investment

UU Congregation at Shelter Rock

Vancity Investment Management Ltd.

Walden Asset Management

Wespath Investment Management

The Xaverian Brothers

Zevin Asset Management

Stephen Davis, Senior Fellow, Harvard Law School Program on Corporate Governance (in his individual capacity)

Total number of signatories: 123