

16 May 2013

## **Joint Investor Statement Regarding Recent Events in Bangladesh**

The undersigned investors released the following statement today regarding recent events in Bangladesh:

The recent and ongoing tragedies in Bangladesh's [apparel](#) manufacturing sector, such as the Tazreen factory fire and Rana building collapse, that have resulted in a death toll of over one thousand workers, poignantly illustrate the significant reputational, operational, and legal risks that are ubiquitous in global supply chains and underscore the urgent need for companies to know their suppliers, ensure compliance with safety standards, and fully disclose their supply chains.

Improving worker safety in Bangladesh may require a collaborative effort by both companies and government. As shareholders, however, we specifically must rely on the companies in which we invest to monitor and mitigate the risks in their supply chains. We urge companies with significant purchasing power in Bangladesh – companies such as [Walmart](#) and Gap – to act swiftly and effectively. We welcome the announcement by H&M, Inditex, and others to join Phillips-VanHeusen and Tchibo in the Accord on Fire & Safety in Bangladesh and view such an agreement as an example of the crucial collaboration needed to both promote worker safety standards and protect shareholder value.

Proper risk oversight requires first that a company knows its supply chain. We expect companies in our portfolios to ensure the integrity of their supply chains. We are dismayed by public statements from any company that states it is unaware that a factory produces its products. Companies must know which factories produce their goods in order to properly manage a complex global supply chain, including being effective at monitoring safety and other compliance risks at the facilities.

Companies must also actively ensure compliance. It is not sufficient to place the onus for compliance on suppliers alone while pricing systems actively undercut requisite investment in infrastructure or encourage covert subcontracting. We expect portfolio companies to pursue cooperative relationships with suppliers that enable compliance and promote stable production.

Lastly, we urge companies to disclose their supply chains. Transparency strengthens accountability.

As investors, it is not in our interests for there to be any more tragedies.

Scott Zdrazil, Director of Corporate Governance

**Amalgamated Bank LongView Funds**

Brandon Rees, Acting Director

Office of Investment

**American Federation of Labor-Congress of Industrial Organizations**

Anne Sheehan, Director of Corporate Governance

**California State Teachers' Retirement System**

Denise L. Nappier, State Treasurer

**State of Connecticut**

Vicki Bakhshi, Director  
**F&C Asset Management plc**

Tim Goodman, Associate Director-Head of North American Engagement  
**Hermes Equity Ownership Services Limited**

William Atwood, Executive Director  
**Illinois State Board of Investment**

ClIr Kieran Quinn, LAPFF Chairman  
**Local Authority Pension Fund Forum**

Kris Douma, Head of Responsible Investment & Governance  
**MN**

William Dempsey, Senior Vice President  
**The Nathan Cummings Foundation**

New York City Comptroller John C. Liu on behalf of  
**The New York City Pension Funds**

Patrick Doherty, Director of Corporate Governance  
**New York State Common Retirement Fund**

Dr. Marcel Jeucken, Managing Director Responsible Investment  
**PGGM Investments**

Ken Hall, General Secretary-Treasurer  
**International Brotherhood of Teamsters, Teamsters Affiliates Pension Plan**

Francine Parker, Executive Director  
**UAW Retiree Medical Benefits Trust**