

STEERING COMMITTEE QUARTERLY FACE TO FACE MEETING - MINUTES

Date: Wednesday 21st January & Thursday 22nd January, 2015
Time: 10am – 5pm

VENUE:
C&A, World Fashion Centre, C&A Nederland
Koningin Wilhelminaplein 13, toren 1 (hoogste toren), etage 14
1062 HH AMSTERDAM

ATTENDEES:

Chair: Dan Rees

Company signatories: Roger Hubert, Santiago Martinez-Lage Sobredo, Jochen Jutte-Overmeyer, Melanie Steiner (21st Jan only), Philip Chamberlain, Uwe Hilker

Trade Union signatories: Alke Boessiger, Jenny Holdcroft

Witness signatories: Ineke Zeldenrust

Accord Executive Team: Rob Wayss (ED), Brad Loewen (CSI)

Accord staff: Tatiana Delany

Apologies: Christy Hoffman, Amirul Haque Amin, Monika Kemperle, Scott Nova, Melanie Steiner (22nd only)

ITEM	AGENDA ITEMS	WHO	COMPLETION DATE
1	<p>Introductions</p> <p>The Chairman and Board members welcomed those members present and formally welcomed the new committee members to the Board. The Board takes note of the results of the election process amongst the Company Signatories in November 2014.</p> <p>The new board Company Signatory Board members replacing Andy John York and Aleix Gonzales Busquets are:</p> <ul style="list-style-type: none"> - Mr. Roger Rene Hubert - Mr. Santiago Martinez-Lage Sobredo <p>Alternate Members:</p>	Chair	

	<ul style="list-style-type: none"> - Mr Jochen Jutte-Overmeyer - Mr Uwe Hilker 		
1.1	<p>Meeting agenda:</p> <ul style="list-style-type: none"> - Agenda agreed with additional items added to AOB 	Chair	-
2	Governance		
2.1	<p>Review last meeting agreed actions:</p> <p>Governance Working Group (WG)</p> <ul style="list-style-type: none"> - No consensus was reached by the company caucus on designating either a panel of standing arbitrators or accepting the Permanent Court of Arbitration as the arbitration venue for Accord dispute resolution. - SC agree arbitration will proceed on a case-by-case basis with the selection of arbitrators taking place at the time of arbitration pursuant to UNCITRAL rules as per the wording in the Accord. SC agree that there will be no pre-agreed list of arbitrators. <p>SC agree to amended language to the Articles of Association as proposed by the company SC reps</p> <p>Accord has put a formal request to BGMEA for specific examples of companies duplicating safety inspections, but so far none have been received.</p> <p>Actions:</p> <ul style="list-style-type: none"> - SC agree that the Accord will formalize agreed amended language in Articles of Association with Loyens & Loeff 	Secretariat	Immediate
2.2	<p>Advisory Board (AB) Update:</p> <ul style="list-style-type: none"> - ED confirms that the next AB meeting is confirmed for 27th January 2015 - ILO have confirmed that they will chair the meeting. - SC discuss the fact that Tchibo now has a seat on the SC and also on the AB. Tchibo voluntarily relinquish their AB seat to give the opportunity to another company signatory. - SC confirm that two SC reps attend AB meetings. <p>Actions:</p> <ul style="list-style-type: none"> - Accord to facilitate Tchibo stepping down from AB by drafting a communication to company caucus asking for nominations 	Secretariat	

2.3	<p>Governance Working Group Update:</p> <ul style="list-style-type: none"> - See minutes under agenda item 2.1; Governance Working Group 	-	-
3	Management Reporting (Executive Office pt. 1)		
3.1	<p>Review last meeting agreed actions:</p> <ul style="list-style-type: none"> - No outstanding actions under Inspection, remediation and worker participation 	-	-
3.2	<p>Inspection Program:</p> <p>The CSI updates the SC on the inspection program:</p> <ul style="list-style-type: none"> - Hartals and blockades in Bangladesh resulting in essential standstill of follow up inspections. - Accord has carried out 208 follow up inspections so far and are scheduled to do approx. 200 follow up inspections per month with the aim of completing 1500 visits by summer 2015. - CSI confirms the re-tender for inspections has happened, inspection firms will be inspecting between 100-200 (estimated) 'new' factories starting in next two weeks, and inspection notification letters are being distributed. <p><u>Overview & update inc. new CAP findings</u></p> <p>CSI presents proposal on public reporting of new findings and what level of disclosure is transparent.</p> <ul style="list-style-type: none"> - CSI notes that the Accord does not certify safety. - SC reaches consensus that Accord should report publicly on all existing findings and all new findings, ensuring clear communication on satisfaction of progress made when CAP is not closed. <p><u>Compensation related to critical closures</u></p> <p>ED talks through paper which sets out estimations of severance and worker wages in review panel cases. ED notes that Accord is silent on issue of severance obligations but there is language on maintenance of employment and payment of regular wages for 6 months.</p> <ul style="list-style-type: none"> - Discussion on the Accord Secretariat facilitating meetings between companies and TUs for specific cases. SC agree on the need for dialogue to resolve these cases and avoid starting from an adversarial position. - The SC agree that under Accord article 13 it is the responsibility of the company to require the supplier to pay wages and that this obligation applies to factories. <p><u>Industry Incident Report</u></p>	Secretariat CSI	10/2/15

	<p>CSI updates the SC on the status of recent Bangladesh industrial safety incidents and asks for the SCs advice whether to increase the Accord's inspection scope to include boilers and elevators</p> <ul style="list-style-type: none"> - SC agree that CSI to remain focused on safety program as set out in Accord building standards and that the scope of the Accord inspection program is not altered in reaction to these incidents. <p>Actions:</p> <ul style="list-style-type: none"> - Secretariat to change established practice for CAP publication (the policy change is therefore to publish CAPs which are technically approved but not financially approved), once a mechanism has been developed to clearly identify which CAPs do not yet have finance plans agreed. Secretariat will look into a systems solution to feasibility of demonstrating status of finance plan against each CAP (differentiate between CAPs which are technically agreed (by engineers) but where a mode of financing has not been agreed, and technically agreed CAPs where a mode of financing has been agreed). - SC agree to show all new safety inspection findings in public CAPs. - CSI to draft language for how to communicate CAP status when all major initial findings are resolved, but CAP is not completed in full due to ongoing 'routine' issues in factory - ED to compile list of involved companies at each 'violation' review panel case. ED to convene a meeting between Accord, companies and global TUs (prioritising some cases first) in order to reach a better understanding of wages owed, severance situation and level of company engagement. 		
3.3	<p>Remediation</p> <p><u>Financing remediation update</u></p> <ul style="list-style-type: none"> - ED introduces paper summarizing existing financing remediation data based only on CAPs where remediation meetings have taken place between Accord case handlers, lead brand and factory. - SC discuss an alert system with agreed timelines and escalation procedure for cases where a financial plan is not yet agreed i.e. raise a red flag at 30 days after the Accord organized CAP and remediation meeting. <p><u>Plan to utilise human resources of company signatories to support remediation</u></p> <p>CSI explains background and aims of paper in harnessing skill sets and capability of companies to support the Accord remediation verification process</p> <ul style="list-style-type: none"> - 5 point plan on what companies could do to support remediation - 2 things on what not to do which undermine remediation progress - SC agree that Secretariat will communicate the document provided to the SC to signatories. <p><u>Report on inspected factories without active companies</u></p>	<p>Rob Wayss Secretariat Company SC reps</p>	<p>6/2/15</p>

	<ul style="list-style-type: none"> - SC discuss the data provided relating to inspected factories where there are no longer any active brands in the factory. - SC company reps clarify that they addressed the 30 day rule with the company caucus stating that there is no change to this rule and that the SC are not going back on this decision. However acknowledging that this was agreed by the SC and not all companies at the time and that this rule does not appear in the wording of the Accord. <p><u>Proposal from working group on effective remediation</u></p> <ul style="list-style-type: none"> - Chair sums up background and current status of discussions regarding effective remediation and factory tiering - Company SC reps present an overview of their current to-be-finalized proposal on effective remediation - SC request it be noted that they commit to ensuring all factories covered by the Accord are remediated and they have a responsibility to ensure this happens - SC agree to a minor amendment to the process of approving minutes; that three days be built in between approval and publication (extending timeline of minutes published by 3 days). <p>Actions:</p> <ul style="list-style-type: none"> - ED to share talking points for remediation CAP finalization meetings with the SC. - Secretariat to send warning/escalation letters for factories where there is no agreed CAP or finance plan in place within an agreed time period (30 calendar days from date of Accord organized CAP remediation meeting). - Report on factories with no active companies at next quarterly SC meeting. Include in report any companies not showing 'leadership' under 30 day rule with any reasons for delisting if relevant and detailed information on CAP status. - Secretariat to monitor any changes to tiering and escalate any cases of concern to SC. - Company reps to prepare progress report on status of proposal on effective remediation. 		
3.4	<p>Worker Participation and Training:</p> <p><u>Operationalizing OHSCs pending issuance of implementation rules</u></p> <p>ED discusses background to paper on operationalizing OHSCs:</p> <ul style="list-style-type: none"> - The SC discuss the merits of a measured and practical approach to operationalising OHS committees. - SC reaches consensus and agrees to invite companies and labour to suggest factories on a voluntary basis. - SC discuss the delay in receiving the Bangladesh Labour Act implementation rules 	Rob Wayss	21/4/15

	<ul style="list-style-type: none"> - SC request that all training materials for OHS committees and outreach in preparation for OHS committees be brought to the WG for Worker Participation and reviewed before a recommendation from them to the SC. <p>ED updates the SC on the OSH complaint mechanism and right to refuse element of the Accord:</p> <ul style="list-style-type: none"> - Beginning to operationalise safety and health complaints mechanism. - Draft form developed for receiving complaints provided to and commented on by Mgt. Comm. <p>ED updates the SC on the status of the second outreach video and outreach materials:</p> <ul style="list-style-type: none"> - Content: Inspection program and remediation - Video has been shot and undergoing final editing, including footage of some factories before and after remediation. - Animated fire safety cartoon also in development - Pocket guide for workers in progress explaining the Accord right to refuse and OSH complaints mechanism. - Accord has formally informed the National Tripartite Plan of Action and Bangladesh government of operationalization of complaints mechanism and right to refuse work. <p>Actions:</p> <ul style="list-style-type: none"> - ED to draft letter to the Minister for Labour and the government of Bangladesh asking again for implementation rules - Accord to invite volunteers to participate in ‘pilot’ (factories recommended by labour and companies). - Working group on worker participation to review training materials and bring their recommendation to the SC. Not approval but for information at SC level - ED to send script for outreach video to SC. 		
3.5	<p>Roadmap towards 2018 and beyond; capacity building and handover:</p> <p>Chair introduces agenda item: what vision of sustainability or capacity is the Accord building for the industry in Bangladesh?</p> <ul style="list-style-type: none"> - SC agree to take the lead on a post 2018 strategy. - SC discuss what role the Accord plays outside of inspection program and discusses stakeholder and government involvement. <p>Actions:</p> <ul style="list-style-type: none"> - SC to establish Working Group of company and labour SC members only for vision, plan and sustainability goals for post 2018 - SC agree that Roger Hubert, Phil Chamberlain will participate from company side; labour to confirm their members. - WG to develop formal terms of reference - WG to bring TORs and first proposal to next quarterly SC meeting 	<p>Roger Hubert Philip Chamberlain Labour - tbc</p>	<p>21/4/15</p>

4	Management Reporting (Executive Office pt. 2)		
4.1	Review Last Meeting Agreed Actions - No outstanding actions		
4.2	Data Management ED updates SC on status of contract/SLA with FFC: - Received a final draft contract/SLA from FFC - Anticipate significant amount of support from FFC moving into 2015/2016. - FFCs valuable data set is one of the legacies that will be left behind post Accord. Actions: - FFC contract to reviewed and agreed by ED, Tatiana Delany and Santiago Martinez-Lage Sobredo for legal review.	Rob Wayss`	12/2/15
4.3	Signatory Management: ED gives overview of status of 2014 membership fee payments: - SC agree that all companies must pay membership fees according to the revised payment scheme. Actions: - ED to continue to work to collect all fees from outstanding companies per the revised payment scheme. - ED to send letter to companies refusing to pay and explain escalation procedure	Rob Wayss	3/2/15
4.4	Human Resource Management ED introduces paper on Accord Execution and Resources broken down into key Accord work areas. The following two work streams are discussed in detail: Initial inspections; - SC discuss the continuing number of new factories being added to Accord factory lists and the implications this has on the Accord budget and resources OSH Complaints and Right to Refuse Unsafe Work provisions; - Investing in training of case handlers; dispute resolution and complaints processing. - Investing in training in IndustriAll structures and field resource people.	Secretariat	21/4/15

	<p>SC accept the Accord Execution and Resources work plan subject to breakdown of costs against new initial inspections and further strategic budgeting exercise.</p> <p>Actions:</p> <ul style="list-style-type: none"> - Secretariat to provide data on average number of new factories per month; with a focus on which companies are de-listing/re-listing/newly listing and a track record of leaving factories. 		
4.5	<p>Budget and Accounting</p> <p><u>Quarterly Budget (budget vs. actual)</u></p> <ul style="list-style-type: none"> - ED summarizes the key points from the quarterly accounts for 3 months ending in Nov. 2014 - SC discuss areas of over spend and under spend <p><u>Budget line and process for SC meetings</u></p> <ul style="list-style-type: none"> - TUs and witness signatories do not support a proposal for SC budget line for travel expenses and suggest that if the company reps feel this is necessary they address this directly with their caucus. - Company concern that smaller companies may not put forward nominations for SC given cost of being a member. <p><u>Proposal on reporting exceptions to the budget (overspend and underspend)</u></p> <ul style="list-style-type: none"> - ED proposes that primary budget discussions be channelled through the Management Committee and that any under spend or over spend of more than 15% in a budget area (not budget line) be escalated to the SC. <p><u>Outstanding membership fee payments</u> – see agenda item 4.3</p> <p><u>Bangladesh Factory Fund</u></p> <ul style="list-style-type: none"> - ED introduces the factory fund proposal and the SC discuss the possible scenarios which may utilise this - SC reach consensus that the Accord requires a provision/protocol to deal with potential factory closures <p><u>Auditors suggestion to harmonise financial years Bangladesh and Amsterdam:</u></p> <ul style="list-style-type: none"> - SC agree to formally harmonise Dutch financial year to Bangladesh financial year (July 1st to June 31st) pending further review of costs and/or administrative burdens by ED. <p>Actions:</p> <ul style="list-style-type: none"> - Secretariat to arrange a meeting with Accord accountant (Van Tunen), audit committee and any other SC members who wish to join to review budget status. Minutes, status of current budget will be circulated to the SC following the meeting. - Management Committee to agree on a means to report budget exceptions. - Standing agenda item at quarterly SC meetings; quarterly budget report 	<p>Secretariat SC Company Reps</p>	<p>27/2/15 (audit committee meeting)</p> <p>21/4/15</p>

	<ul style="list-style-type: none"> - Company SC reps to consult amongst themselves on how to proceed regarding SC travel expenses, and to come back through Management Committee on this issue. Proposal for approval to come through Management Committee at next quarterly SC meeting. - Amsterdam Secretariat to develop 'escalation process' protocol and explore options in parallel with possible fund - SC Companies to communicate/consult with caucus on measuring risk related to Article 21 and responsible exit. - Secretariat to harmonise Bangladesh and Dutch financial years 		
5	Communications		
5.1	Review Last Meeting Agreed Actions	-	-
5.2	<p>External Communications</p> <p><u>Quarterly Aggregate Report</u></p> <ul style="list-style-type: none"> - SC discuss comments received from members of the committee on the Quarterly Report. - SC debate the level of detail required in the report - SC agree that further detailed information not included in the Quarterly Report will be presented on the Accord website, with specific reference to those factories which have been fully or partially temporarily closed due to structural safety findings - ED reminds the SC that in most Review Panel cases workers are back in work and factories have re-opened. <p>Actions:</p> <ul style="list-style-type: none"> - CSI to re-draft Quarterly Report with language amendments - CSI to remove table of Review Panel cases from the Quarterly Report replacing it with a link/or mention to details on Accord website where further information will be available within two weeks of publication. - Send re-draft of Quarterly Report to the SC by 30th January 2015 with two days for review - Secretariat to re-draft Review Panel table for the website, circulate re-draft to SC for approval before publication. 	Brad Loewen Secretariat	30/1/15
5.3	<p>Stakeholder Engagement</p> <p><u>Review of Bangladesh apparel summit</u></p> <ul style="list-style-type: none"> - ED and CSI participated in panel discussions at the summit. - SC comment positively on the summit and believes that its success reflects the positive transition that the market is going through in Bangladesh. 	Rob Wayss	30/1/15

	<ul style="list-style-type: none"> - CSI confirms that the Accord accepts any legitimate certification of safety products (not just UL who sponsored the summit). <p><u>BGMEA/BKMEA</u></p> <ul style="list-style-type: none"> - Last bi-lateral meeting with BGMEA on 12th January 2015. - ED and Management Committee to discuss date for first SC/BGMEA meeting. <p><u>ILO/IFC</u></p> <ul style="list-style-type: none"> - Regular engagement with ILO on BLA rules and on technical issues/engineering, protocols, support for and coordination with the National Effort <p><u>Governments</u></p> <ul style="list-style-type: none"> - Recent meeting with the Government of Bangladesh, OSH committees and Bangladesh Labour Act rules were discussed - Regular meetings with delegations from bi-lateral missions. - Joris Oldenziel will represent the Accord at the upcoming Dutch round table. <p>Actions:</p> <ul style="list-style-type: none"> - ED to respond to BGMEA that the Accord won't be co-organising the German apparel summit but will participate / provide resource persons for sessions as done with the Dhaka Summit. - ED to follow up on inspection reports with Alliance and ensure common understanding of communications agreement between two organisations. 		
6	AOB		
6.1	Review Last Meeting Agreed Actions: No outstanding actions	-	-
6.2	<p>AOB – Communications:</p> <ul style="list-style-type: none"> - SC agree that the content of the worker outreach video will be shared with the SC. - SC company reps concerned that two statements in brochure are in conflict with language in Accord and have asked for suspension of distribution of brochure. - Labour SC reps ask that the company caucus accept that the SC cannot keep revisiting previously agreed 	<p>Secretariat Jochen Overmeyer & Management</p>	<p>21/4/15 Immediate</p>

	<p>decisions on Accord language</p> <p>Actions:</p> <ul style="list-style-type: none"> - Communications protocol to be developed by MC and an agreed proposal to be circulated to SC for approval - Jochen Overmeyer to propose language for the two sections where company members have concerns in brochure more similar to Accord or to other agreed upon language and share with Mtg. Committee for approval. Final language to be shared with SC for information 	Committee	
63.	<p>AOB – Power of Attorney:</p> <ul style="list-style-type: none"> - SC have seen and agree to changes to Power of Attorney 	Rob Wayss	30/1/15 pending remote receipt of SC signatures
	<p>Confirm next SC meeting dates and location:</p> <ul style="list-style-type: none"> - SC agree to venue change for next quarterly meeting, it will now take place on 21st & 22nd April in Geneva. - SC quarterly meeting in Bangladesh will take place on 24th and 25th June. - SC agree to no longer have scheduled monthly conference calls, unless there is a specific issue which should be escalated through the Management Committee <p>Action:</p> <ul style="list-style-type: none"> - Secretariat to update calendar invitation for quarterly meetings 	Secretariat	Immediate