



STEERING COMMITTEE QUARTERLY FACE TO FACE MEETING – MINUTES

Date: Wednesday 9th May 2018

Time: 9am – 6pm

VENUE:

Accord office
AJ Heights, Progoti Sarani,
North Badda, Dhaka

ATTENDEES:

Chair: Dan Rees

Company signatories: Karl Fagerlin, Jochen Overmeyer, Edward Southall, Santiago Martinez-Lage Sobredo, Bob Chant, Lary Brown, Bernardo Cruza (as observer)

Trade Union signatories: Jenny Holdcroft, Christina Hajagos-Clausen, Mathias Bolton, Amirul Haque Amin

Witness signatories: Scott Nova

Accord Executive Team: Rob Wayss

Accord staff: Michael Bride, Joris Oldenziel, Raluca Dumitrescu, Stephen Quinn

Apologies: Christy Hoffman, Ineke Zeldenrust, Roy Ramesh

MEETING MINUTES

1. Introductions

The Chair welcomed those members of the Steering Committee present to the Accord office and introduced Bernardo Cruza, who will join the 2018 Transition Accord as SC brand representative, informing the SC that he will be attending the meeting as observer.

The Chair noted Christy Hoffman's recent resignation from the SC and her expected election as General Secretary of UNI Global Union in June 2018. The SC praised the fantastic work that Christy has achieved to bring the Accord forward in its early days. Alke Boessiger will replace Christy as Deputy General Secretary of UNI and also as UNI's Substitute member on the Accord's SC.

Rob Wayss introduced Stephen Quinn, who will start in his role as the Accord Chief Safety Inspector on June 11th 2018.

1.1 Agree meeting agenda and any items of AOB

Agenda agreed.

2. Governance

2.1 Review last meeting agreed actions:

No outstanding items

- In response to action I) "The SC agreed to ask the ILO if they would be willing to send a regular substitute chair for Dan Rees when he is unable to attend SC meetings", the Chair informed the SC that his regular substitute will be Tuomo Poutiainen, who will start as the ILO Bangladesh Country Director within the next couple of weeks

2.2 Advisory Board (AB) Update (Paper 1)

Rob updated the SC on the outcomes of the 14th AB meeting held on 23rd April 2018, informing that this was the last meeting of the AB under the 2013 Accord. Rob noted that the meeting report is not yet published, but that the Accord has provided a meeting summary to the SC in advance of the official report.

- The AB was informed that the Accord will only forward complaints received through the health and safety complaints mechanism if the complainant(s) so request. This was agreed on at the previous SC meeting (February 2018). A request for automatic forwarding was put forth by DIFE at the January 2018 AB meeting.

- ILO informed the AB they have been contacted by MoLE to attend the TMC meeting, which took place on May 6th 2018.
- The union representatives requested data on the state of inspections and remediation of NPoA covered factories. The DIFE representative provided the following: 809 NPoA covered RMG factories; 328 DEAs required and 40 DEAs reviewed; 9 F & E designs reviewed; 2nd and 4th week of the month RCC engineers are in the districts; the remediation completion figures are: 23% structural, 35% electrical, 21% fire.
- Rob reminded the SC that in August 2017 the Accord participated in a 3-day program with ILO and DIFE staff to explain how critical FFC database is to managing the inspections and remediation work. The SC agreed that as part of the GoB meeting the handover criterion of full transparency of remediation progress, the GoB must be able to demonstrate that the figures they communicate are accurate.
- ILO expressed thanks to the Accord for proactive efforts with NPoA and the GoB to support the RCC in building capacity and knowledge.
- Rob mentioned that the week before the SC meeting, ILO organised a 3- day program during which Accord senior remediation and engineering staff briefed DIFE engineers on technical aspects, inspection protocols and the use of FFC database.
- The Accord provided the AB an update on the 2018 Transition Accord.

2.3 2013 Accord record keeping (paper 3)

Rob presented the Secretariat's proposal for fulfilment of Articles of Association section 12¹ regarding storage of records for 7 years, noting that the Secretariat considers it useful to retain all 2013 Accord program data beyond May 2018 for at least the duration of the 2018 Accord.

The Secretariat proposes that section 12 of the Articles of Association refers to Financial Data and also to the program activities (inspections, remediation, training & complaints). In any case, the Secretariat considers it useful to retain all 2013 Accord programme data beyond May 2018 for at least the duration of the 2018 Accord.

- Data for factories and signatories continuing in the 2018 Accord must be retained for ongoing Accord program activities.
- Data for factories and companies not continuing in the 2018 Accord will be archived either in FFC, on the Accord servers (both in Amsterdam and

¹ Section 12 of the Articles of Association for the Accord Foundation ("Financial Year and Annual Accounts") require the following:

12.2 The Board shall keep records pertaining to the financial position and activities of the Foundation, in conformity with the requirements ensuring from the activities of the Foundation.

12.6 The Board is obliged to keep the books, documents and other data carriers referred to in this Article for a period of seven years.

12.7 The data kept on data carriers, with the exception of the balance sheet and the profit and loss account put on paper, can be transferred for safe-keeping to other data carriers, provided that the transfer involves an exact and complete reproduction of the relevant data and provided that the data are available at all times during the entire term in which the data must be preserved and that the data can be made legible within a reasonable period of time.

Dhaka), or in rented store space (in Dhaka). This FFC data (pertaining to companies and factories not continuing in the 2018 Accord) will not be available business as usual but will be accessible on request.

The SC approved the Secretariat's proposal for fulfilment of Articles of Association section 12.

Action:

- **The Secretariat to follow up with the Accord's lawyers in the Netherlands to ensure that the Accord's record keeping complies with the EU General Data Protection Regulation.**

3. Management Reporting (Executive Office pt. 1)

3.1 Review last meeting agreed actions:

Management Reporting – Executive Office (part 1 = inspection program, remediation, workplace programs)

No outstanding actions

3.2 Inspection Program & Remediation

Progress and projections

Joris updated the SC on the current safety remediation progress:

- Initial remediation progress at 85%
- 142 factories completed the initial remediation
- >90% remediation at 767 factories (47% of all Accord covered factories)
- Electrical initial remediation progress at 93% - no increase since January 2018 to May 2018
- Fire initial remediation progress at 83% - 1% increase since January 2018 to May 2018
- Structural initial remediation progress at 73% - 3% increase since January 2018 to May 2018
- Compared to the Accord's prognosis made in January 2018 for May 2018, the progress rates are in average 3% smaller (e.g. the initial remediation progress rate was estimated to reach 88%, whereas it is currently at 85%)

Joris noted that approximately 12 new factories are being listed each month and as of May 2018, approximately 50 factories are scheduled for initial inspection. Each newly created CAP slightly decreases the initial remediation progress rate. Joris further noted that the Accord engineers continue to identify a fair amount of safety issues even at the newly built factories.

Jochen asked whether brands are listing new factories after assessing whether those factories comply with the Accord's inspection standard. Rob replied that

this indeed happens and to the Accord's knowledge, a limited number of non-listed factories have contracted engineering firms to conduct safety inspections following the Accord's inspection standard.

Joris further updated the SC on the remediation progress of specific electrical/fire/structural safety items:

Electrical Safety Remediation Progress:

- Installation of lightning protection system (LPS) – 74% remediation rate across all Accord covered factories; 267 factories are yet to complete the installation.
- Development of single-line diagram (SLD) – 69% remediation rate across all Accord covered factories; 317 factories are yet to develop it.

Fire Safety Remediation Progress:

- Installation of adequate fire detection and fire alarm systems – 39% remediation rate across all Accord covered factories; 812 factories are yet to complete the installation. Joris noted there are two reasons why this specific CAP item has such a slow remediation progress rate: i) completing the installation of fire detection and fire alarm systems is a time-consuming process, which includes the following steps: draft of fire designs by an engineer contracted by the factory, review and approval of the fire designs by the Accord, order and installation of the fire system components by the factory, testing and commissioning of the systems, and conduction of the testing and commissioning verification visit by the Accord; ii) the Accord engineers have increasingly identified an incorrect installation of fire pumps during the testing and commissioning verification visits. Christina Hajagos-Clausen asked how many of the 812 factories that are yet to complete the installation of the fire detection and fire alarm systems have already opened the letter of credit (LC), as this may indicate that these factories have completed the first step in completing the remediation. Joris replied that the Accord does not use this breakdown in tracking down the process but is considering new ways of categorising the data in order to offer a more in-depth depiction of the remediation stages. Edward Southall reminded the SC of the tracking system that LC Waikiki uses in categorising outstanding issues, based on three stages of remediation (i) the remediation has not started, ii) the remediation is in the early stages and is estimated to be completed within six weeks, iii) the remediation is close to completion and is estimated to be finalised within two weeks).
- Transform or replace the exit stair opening so that they comply with the Accord's safety standard – 63% remediation rate across all Accord covered factories; 473 factories still have non-compliant exist stair openings. Joris explained that this CAP item encompasses issues like unsealed penetrations, inadequate exit capacity, handrails missing, or no exit signage, most of which do not qualify as high-cost items.

Structural Safety Remediation Progress:

- Of all the factories that are required to conduct and submit to the Accord for review and approval a DEA, 849 had their DEA accepted. There are currently 582 factories that are yet to have their DEA accepted by the Accord.

Joris further updated the SC on the status of escalations, noting that the number of factories in escalation is increasing as a result of the Accord implementing the escalation procedure more stringently. If after follow-up inspection, the corrected progress rate of a factory is under the Accord average corrected rate, the factory will be escalated. On average, 20 factories go into escalation each month. Currently:

- 388 factories are in escalation Stages 1 and 2

- 110 factories have been terminated (escalation Stage 3)
- 168 factories have been de-escalated

Scott flagged the flattening initial remediation progress rate and questioned whether Article 21 is serving as a strong enough incentive for factories to complete the remediation, given that there are currently approximately 350 factories that have completed less than 90% of the remediation and are not in escalation. Joris commented that many factories receive multiple escalation letters for different reasons and therefore the number of new factories entering into escalated is relatively limited. Rob further explained that often factories are de-escalated and then re-escalated, as they can be de-escalated for a specific issue that Accord engineers verify as corrected during a follow-up inspection, while entering escalation again for (an)other outstanding safety issue(s).

Actions:

- **Secretariat to investigate how many factories of the 812 where the installation of fire detection and alarm systems is still outstanding have opened the LC.**
- **Secretariat to share with the SC the number of key safety issues segregated per active and inactive factories.**
- **Secretariat to re-assess the CAP categorisation with the CSI to better track which particular safety items have been remediated and which have not.**
- **At the SC meeting in October 2018, the Secretariat to inform the SC on the lessons learnt of applying the escalation protocol and other procedures under the 2013 Accord**

Referral of unresolved finance requests (paper 4)

Joris summarised the financing remediation paper (Paper 4) noting that to date 119 remediation finance requests from factories have been received.

Update on revisions to Inactive Factories Remediation Fund eligibility criteria

Joris updated the SC on the revisions made by the Working Group on Inactive Factory Remediation Fund to the eligibility criteria.

Joris further updated on the status of applications:

- 155 Factories eligible for the Inactives Fund (> 6 months inactive)
- 18 Applications submitted
- 8 Applications rejected
- 5 Applications under review
- 5 Applications approved

The first five grants under the Inactives Fund are being distributed as follows:

Factory	Initial progress
---------	------------------

	rates
Ayesha Enterprise (Garments) Ltd.	86%
Meek Knit Ltd.	93%
Everbright sweaters ltd	100%
Hypoid Lingerie Ltd.	82%
Zaara Composite Textiles Ltd.	72%

Actions:

- **Secretariat to issue the press statement announcing the approval of the first five funds under the Inactive Factories Remediation Fund.**

Boiler risk assessment and inspections pilot (paper 5)

Rob summarised paper 5, noting that the Office of the Chief Inspector of Boilers (CIoB) is the GoB entity responsible for boiler safety and inspections is the CIoB which falls under the Ministry of Industry.

- CIoB is woefully understaffed and under-resourced: the office has 8 boiler inspectors to cover the entire country; they are all mechanical engineers by education; they are using public transportation to travel to factories and are conducting between 10-15 inspections/day. Given traffic considerations and utilization of public transportation, this would suggest the inspectors spend 15-20 minutes in each factory for each inspection. The CIoB admitted that the inspections the office is conducting are not thorough.
- By law, the CIoB is the only entity in Bangladesh that can inspect boilers. Several private companies conduct inspections of boilers but they have no official status. The CIoB commented that he hopes that his department will be extended but had no knowledge of the allocation of the GoB's budget, which indicates that he had not submitted any formal budget proposal to the GoB. There are discussions to amend the boiler inspection laws to allow boiler companies to inspect and have their inspection reports formally recognised. The CIoB noted that the Ministry of Industry is cooperative and he feels hopeful. Rob mentioned that despite the above, it is likely that the Office of the CIoB will continue to struggle delivering on the target of 10-15 boiler inspections/day as they have a low capacity.
- The CIoB reported they frequently sanction business owners and order the closing of boilers because of the operators' lack of capacity or because the facility has no boiler operator on-site at all. There was no information provided to suggest follow up is done to enforce non-monetary sanctions.

The Accord met with two private boiler firms in Bangladesh.

Rob noted that the potential for local firms to conduct boiler inspections at Accord covered factories is questionable.

The following were identified by the CIoB and the two local firms as high-risk considerations:

- Locally made medium-large capacity tube boilers
- Older, locally made boilers
- Pressure safety system of the boiler / safety valves (such systems that operate independently from the boiler are especially risky)

- Local gas boilers with locally produced burners (fuel-air metering is unreliable causing gas explosion risk)
- Water quality and scaling issues are a risk for all boilers in BGD (causes overheating)
- Boilers at facilities with no operator or an unqualified operator
- Issues related to interlocking (no water or inadequate water supply); auto shut-off; water level cut-off are a high risk for all boilers
- Burner controller, burner and blower activation devices are a risk for all fuel (esp. gas) powered boilers
- Issues related to condition of power supply, fuel pilot and main lines (esp. in larger boilers) are a risk for all boilers

The CIOB and private firms advised the Accord to focus on larger boilers (including locally produced) in an initial pilot program and also suggested that the Accord includes a representative cross section of the boiler types that are in Accord covered factories (as shown by the research conducted in the last months by the Accord). They furthered that the representational cross section should be slanted towards gas powered boilers of medium to large capacity.

There is only one international firm with capacity to conduct boiler inspections and who are willing to consider the inspections in Bangladesh. The Accord has spoken with them on a pilot of 75-150 boiler inspections. They have stated they will be able to assemble teams of European and Asian boiler safety engineers to do such inspections. The Accord is currently awaiting their proposal. They have informed the Accord the cost will be Euro 1,500 per day per engineer excluding expenses.

The Accord has held several discussions with the international firm and this is what the proposed boiler inspections program will cover:

- Full visual and internal boiler inspections including: hydrostatic test (to test for strength and leaks), pressure/steam test (to test functionality of release valves), functional test (to test elements, valves, lines, etc....).
- Water quality and interlocking analysis.
- Checks for modification(s) to installed boilers.
- Determining whether additional non-destructive test (NDT) inspection is required / recommended. Scott asked whether the international firm would be able to conduct the NDT inspections; Rob answered that the international firm will only indicate whether there is a need of conducting an NDT inspection.
- Providing individual inspection reports to the Accord, to be developed by the international firm based on the Bangladesh law requirements for inspections and the practical inspection the international firm will perform.

The SC discussed the Secretariat's proposal, raising the following points:

- Lary noted that if a boiler has an issue, it automatically shuts down, making for a strong incentive for factories to repair it and carry out regular maintenance work. He further suggested that the Accord finds local firms to conduct boiler inspections. He argued that this will help strengthen the local capacity and will save a considerable amount of money needed to fly in international boiler inspectors. Esprit has conducted a research into local boiler companies and considered three to be reliable. Scott reminded the SC of the history of boiler accidents in Bangladesh which testifies against the factories' goodwill to carry out strict maintenance work and the reliability of local boiler inspectors. Multifabs claimed they had multiple boiler inspections.
- Scott noted that the strategy used by the Accord at the beginning of its safety program – initial inspections conducted by international engineers while local engineers “shadow” them as part of their training – has proven successful and he suggests to apply the same with the boiler inspections.

- Bob Chant commented that a more robust plan is needed, including a detailed timeframe and a budget.
- It was suggested that the Accord collects information from Accord covered factories on their last boiler inspection date. Rob reminded the SC that since the beginning of October 2017 the Accord has been collecting data on the make, model, type (energy source), and capacity of boilers at Accord factories. The Accord has obtained data from 822 factories of which 799 (97%) have at least one boiler. Rob mentioned that this information has been collected by Accord engineers during follow-up inspections, without making this known to factory management. Inquiring about the last boiler inspection, the entity who conducted the inspection and asking factories to provide paperwork raises a political concern and may not reflect well on the Accord and its relationship with BGMEA.
- Stephen briefly explained to the SC what a boiler inspection entails: approximately half an hour of visual inspections and approximately a couple of hours of technical inspection.
- Santiago Martinez-Lage Sobredo asked whether the escalation procedure will automatically apply to those factories where boilers are found to have significant problems. The SC agreed to first assess the situation through the pilot program and decide afterwards on the consequences that factories will face if their boilers are found to be unsafe.
- Jenny Holdcroft suggested that the Accord contracts international engineers and moves ahead with the pilot. She further suggested that the Accord informs BGMEA that they will conduct a pilot.
- The SC agreed that passing on knowledge on conducting boiler inspections and helping build local capacity will be part of the Transition Accord's strategy to help strengthen the RCC's capacity.

Actions:

- **Secretariat to draft a detailed plan for conducting boiler inspections on a pilot basis and share it with the SC by latest May 24th 2018. The plan will be based on the proposal received from TUV-SUD international firm.**
- **The SC to discuss and approve the plan by email/via conference call so that the pilot can start as soon as possible and the Secretariat can present first findings of the inspections during the next SC meeting scheduled for June 26th 2018, to the extent possible within the timeframe.**

Results of WSP DEA review support

Rob informed the SC on the output of the WSP DEA Review Program which took place between December 2017 – April 2018. The program aimed to have WSP review DEAs, provide comments and determine impact on quality of future DEA submissions.

As part of the program, 60 DEAs were reviewed, WSP regularly provided feedback to the Accord structural engineering department, the WSP project manager engineer visited Dhaka twice to meet with Accord structural engineers and DEA firms hired by factories on their submitted DEAs. Rob noted a very weak response from RCC / NPoA to the Accord organized experience sharing program with WSP and with the RCC- IG-DIFE structural engineers. The ILO assisted the Accord with this program but the response from RCC was still very weak.

WSP shared with the Accord the following observations/recommendations:

- the clarity of language in DEA review comments needs improvement.
- more precision in describing required remediation is needed. Practicality of remediation, challenging the prescribed remedy (this can lead to another re-submission of the DEA)
- consistency in prescribed remediation requirements needs improvement. The level of sophistication and practicality needs development (i.e. over-reliance on computer models not giving enough consideration to the realities of the building structure itself).
- importance of not allowing “owner-led” cost or space saving solutions.
- vigilance in rejecting argumentative rather than rational/factual responses from DEA firms (time consumption issue).
- page, table, and figure numbering and labelling to more easily reference issues.
- improve layout and required explanations in DEAs (contradictions and unclear conclusions unclear results in unclear documents for contractors / installers).

A key achievement of the program is that the revised DEA submissions from firms which met with WSP engineers showed improvement. The Accord engineers and factory engineers receiving comments from WSP and meeting with WSP are also gaining professional development.

Ted addressed that clarity is needed on how to improve the Accord’s DEA review and approval process. Rob reminded the SC that the Accord engineers are reviewing the DEAs in totality on every calculation, which goes beyond a simple DEA review. He furthered that WSP can support the Accord in improving the quality of DEA submissions and improving the technical language that Accord engineers use in DEA review comments, but there is not much room to speed up the review and approval process. Rob explained that the Accord would need to tolerate a higher level of potential structural risk if the Accord was to no longer carry out detailed review of all DEAs. Many of the mistakes found in current DEAs would have not been found had the engineers conducted less detailed DEA reviews. The high number of re-submissions reflects that factories are not correctly addressing the issues that Accord structural engineers are finding in the DEAs submitted.

Rob mentioned that the former CSI has been actively involved in this process on a consultancy basis.

Action:

- **Accord CSI to review the DEA review process and Secretariat to present at next SC meeting a plan on how to optimise this process.**

Proposal to share DEA consultant data with signatories (paper 6)

Rob informed the SC that during the Accord regional meetings in March 2018, companies requested the Accord to share information on which DEA consultants are working on DEAs with covered factories. This data is recorded by Accord team for internal use but not entered into FFC, the factory database company signatories have access to. Company signatories are interested in this information so that they can track which DEA consultants are managing to get DEAs accepted with minimal resubmissions, as compared to DEA consultants which resubmit DEAs continuously without gaining Accord acceptance of the DEA.

This information would better enable company signatories to advise their factories which DEA consultants have a better track record of completing DEAs to the required standard.

Rob further explained that the following should be considered:

- DEA consultants with a strong track record may get more requests than they can accommodate and delay their DEA submissions.
- There may be legal considerations for providing this data on DEA consultants to signatories.

Action:

- **Secretariat to prepare the overview on how the information on DEA firms would be shared with signatories and present it at the next SC meeting.**

Report on Testing and Commissioning Verification inspections (T&CVI) programme with Jensen-Hughes

Rob informed the SC of the results of the Jensen-Hughes T&CVI Program which took place between March-April 2018 which had the following goals:

- have Jensen-Hughes help relieve the backlog of T&CVIs conducted by Accord fire safety engineers
- have Accord fire safety engineers obtain additional on-the-job training on these inspections
- offer support to the RCC/NPoA fire safety engineers to “shadow” these inspections.

As part of the program, approximately 50 T&CVIs were conducted by Jensen-Hughes, with the Accord fire safety engineers accompanying, observing, and assisting these inspections. Rob noted an increased level of confidence with Accord fire safety engineers after attending these inspections. He also mentioned that the T&CVI guide sheets that the Accord developed in partnership with Jensen-Hughes have proven a useful tool for engineers.

The program revealed that the private sector and RCC/NPoA are unprepared for these essential inspections, shown by a lack of capacity of T&C firms hired by factories.

Accord management of negative suction (fire safety) non-compliance

Rob explained to the SC the issue of incorrect installation of fire pumps (negative suction).

Background/explanation negative suction:

- The Accord inspection standard (NFPA) requires that the pump of the fire detection and fire alarm system is installed in positive suction. When a pump uses positive suction, the water priming the pump pressurises the system. Negative suction is the condition which arises when a fire pump is installed above the water tank. This is an unreliable situation in that the pump may lose prime and not work in an emergency.
- Fire safety engineers check during the testing and commissioning verification inspection (T&CVIs) whether the installation of the pump results in positive suction or negative suction. The letters that the Accord sent to factories reviewing their fire designs state that the installation of the fire

detection and fire protection systems must comply with NFPA20.

- The Secretariat estimates that approximately two thirds of Accord covered where a fire detection and protection system needs to be installed have a situation of negative suction.
- When the fire designs were reviewed by the Accord, only a handful of fire safety engineers were deemed qualified to conduct T&CVIs. The Accord contracted Jensen-Hughes who, in October 2017 and in March-April 2018, held practical training with Accord fire safety engineers on conducting T&CVIs. As all the engineers have by now been trained and are all conducting T&CVIs at Accord factories, the Accord is finding that factories have installed fire pumps with negative suction.

Safety risks:

- Scott asked whether a negative suction fire pump is potentially life endangering in case of fire. Rob responded that the Accord's former CSI advised that the risk is substantial. As a result, in the 1970s NFPA changed its standard so that only pumps installed in positive suction are compliant.
- The SC agreed to treat this issue as a high-risk safety issue and find solutions so that all fire detection and alarm systems installed at Accord covered factories are compliant with NFPA standards.

Actions taken by the Accord to address the issue:

- The Accord has issued a communication to Accord covered factories and the company signatories informing them of the issue, explaining the Accord standard and NFPA requirement for installation of fire pumps.
- Accord fire safety engineers are being scheduled to conduct special inspections to discuss options to resolve the negative suction issue and are working with the fire safety engineers contracted by factories to find solutions to this issue. The Accord received a list of factories from the BGMEA they are aware of that have negative suction. Several signatory brands have also provided lists of their supplier factories that have negative suction issues. These factories have been or are being scheduled for special inspection visits dedicated to negative suction.
- SC company representatives and the Secretariat have heard of company signatories organising meetings with their suppliers to identify which factories have negative suction.
- From the factories visited, the engineers have found that in many of the cases it is not complicated nor costly to change the fire pump installation so that there is positive suction. Rob noted that in 5% or less of the 275 factories the Accord has visited to identify solutions to resolve the negative suction required replacement of the existing pump with a vertical turbine pump. The costs involved for ordering and installing a turbine pump are estimated to be \$35,000.
- At the stakeholder meeting held at BGMEA offices on May 7th 2018 BGMEA incorrectly stated that the Alliance does allow the installation of fire pumps with negative suction. Rob noted that the Accord is currently in discussion with the Alliance to align our position regarding the negative suction issue. The discussion so far indicates that the Alliance will adopt the same position as the Accord: pumps using negative suction are non-compliant. There is one outstanding difference of opinion which is related to an antiquated technology to achieve positive suction, which requires a high level of vigilance to maintain the fire system, which – according to the Accord - is too unrealistic to expect in Bangladesh to be considered an acceptable solution.

The SC retrospectively decided that factories will not be escalated based on the installation of fire pumps using negative suction. If the

fire pump has been installed using negative suction but otherwise the installation of the fire detection and alarm system is deemed completed by Accord engineers, the issue of negative suction will be added to the factory's CAP as a "new finding" whilst the installation of the fire system will be marked as "corrected".

Actions:

- **Accord fire safety engineers to work with the factories where the reviewed fire design would result in negative suction but where the fire pumps have not been installed yet to ensure that the fire pump system is correctly installed.**

Electrical safety

Inadequate space for safe maintenance in transformer and generator rooms

Rob informed the SC that at some Accord covered factories the electrical safety engineers are finding during follow-up inspections that the space in transformer and generator rooms is inadequate for carrying out safe maintenance. The Secretariat has not yet identified the scope of the issue across Accord covered factories but wished to inform the SC that this issue has arisen.

Action:

- **Secretariat to further examine this issue and report back to the SC at the next SC meeting.**

3.3 Workplace Programs

Progress and projections

Michael presented on the progress of the Safety Committee Training Program:

- 1,062: current factory participation, of which 86 unionised factories.

Jochen asked at how many factories the Safety Committee Training Program still needs to be rolled-out before the expiry of the 2013 Accord. Michael commented that under the current Accord, the training program covers only Tier 1 & Tier 2 factories; currently, of the total 1,155 Tier 1 & Tier 2 factories, the training program is yet to commence at 93 factories. Michael reminded the SC that the training will not be completed at those factories that will not continue to be covered under the 2018 Accord.

- Letters of recognition issued to 217 factories that have completed both All Employee Meetings and the full training curriculum.
- 24 factories involved in the re-engagement program

- 789 All-Employee Meeting #1 covering 1,458,158 participants
- 400 All-Employee Meeting #2 covering 950,205 participants

Michael presented on the progress of the Health and Safety Complaints Mechanism:

- 659 complaints received, of which 597 were filed in the last 25 months alone
- 206 complaints filed with the Accord were deemed outside the health and safety scope of the complaints mechanism
- 224 complaints resolved
- 122 complaints currently in progress
- 82 complaints unresolved

Jenny suggested that the Secretariat considers changing the name ‘unresolved’ for the category of complaints that are not resolved and the investigation is closed, so that the name better indicates that this category does not overlap with the category ‘in progress’.

Proposal for impact assessment (paper 7)

At the last SC meeting, the Secretariat was tasked with proposing an assessment tool to assess the impact of the Safety Committee training program and All-Employee Meetings.

Michael summarised paper 7 and explained to the SC that the Secretariat believes focus groups would yield the most accurate results as an impact assessment tool, given that in the context of RMG factories in Bangladesh, a simple questionnaire may be hampered by literacy issues and, based on past Accord experience, one-on-one interviews are extremely uncomfortable for workers, particularly when factory management is close in the vicinity.

The objective of the focus groups is to measure:

- Workers and managers’ awareness of their right to refuse unsafe work, process to do so, and confidence in the process;
- Workers’ awareness of the Accord complaints mechanism, the process to file a complaint, and confidence in the process.
- Effectiveness of Safety Committees – key indicators of Safety Committee function to be further defined, possibly with independent assessor

The focus groups would run in a limited number of Accord factories on a pilot basis to fine tune the questions to ask and manner of engagement.

Following any necessary amendments, the impact assessment to be rolled out to a specific number of factories (43 would represent 5 percent of the total factories which participated in the Training Program up to Phase 08), with due weighting given to factory size when considering inclusion in the assessment.

The facilitation could be undertaken by appropriately trained Accord staff or independently. Michael highlighted that there were plus and minuses to hiring an international firm to conduct the focus groups. The facilitators’ knowledge of the RMG sector is key to facilitating these focus groups. He shared with the SC the Accord’s experience from late 2016 when an international organisation trained the Accord trainers: whilst the training was excellent, the Accord staff had to invest a great amount of work to familiarise the international trainers with the local RMG context. On the other hand, a local training firm may not

have the experience and knowledge needed to facilitate the focus groups. Michael also outlined that the focus groups could be facilitated by appropriate Accord staff, but that perceptions of any lack of independence would have to be addressed. The SC agreed that the Secretariat should proceed as it sees best, having outlined all the options.

Bob raised a concern that workers would likely feel intimidated to speak up in a group, given the Secretariat's comments that workers are usually reluctant to sharing information with someone from outside of their factory. Michael confirmed that when workers – singled out - are approached unsolicited they are resisting to answer, and further argued that in a group, workers are likely to encourage each other to speak. The facilitator(s) of the focus group would ask open-ended questions, aimed to trigger a conversation.

The SC agreed with the methodology of using focus groups to assess the impact of the Safety Committee training program and All-Employee Meetings.

Dan Rees suggested that the focus groups look more in depth at the ways in which workers are applying the knowledge gained through the Safety Committee training program, as opposed to merely analysing the workers' awareness of the program and the safety information delivered through the program. He further suggested to use focus groups in order to assess the impact of the Accord's Health and Safety Complaints Mechanism by engaging with workers who have filed a complaint themselves or were involved in the investigation of a complaint.

Actions:

- **Secretariat to start implementing the impact assessment tool based on the proposal presented.**
- **Dan Rees to liaise the Secretariat with ILO representatives in order to exchange experience on implementing impact assessment tools.**

4. Management Reporting – Executive Office (pt.2)

4.1 Review last meeting agreed actions:

No outstanding actions

4.3 Budget & Accounting

Quarterly Budget (budget vs. actual) (Paper 9)

Rob summarised the most significant variance in the quarterly budget. Rob noted that a 2018 projected budget has been produced for discussion under the 2018 Transition Accord agenda by the Interim SC on May 11th.

- The costs for the regional meetings with company signatories held in March 2018 will be published in the next quarterly budget report.
- Apart from maintenance costs, there were no other costs needed for the Accord's website.
- There were no customisation costs required for FFC.

5. Communications

5.1 Review last meeting agreed actions: no outstanding actions

5.2 External Communications

Media coverage for Rana Plaza 5 year anniversary

Joris informed the SC that the Accord has received a lot of media attention in April, in the context of the 5-year commemoration of the Rana Plaza collapse. The media generally reported positively on the Accord's achievements in the Bangladeshi garment industry.

Joris provided an update on the international events where the Accord participated as speaker under agenda item 5.3.

5.3 Stakeholder Engagement

Capacity building and engagement efforts in Bangladesh (paper 10)

Rob updated the SC on stakeholder engagement and outreach in Bangladesh.

Bangladesh Fire Service and Civil Defence (FSCD)

- In October 2017 the Accord invited FSCD engineers to join classroom training and then accompany the Jensen Hughes & Accord fire engineers on T&C verification inspections, in order to build capacity on fire systems testing & commissioning verification inspections.

GIZ

- GIZ is running a project to locate cluster of factories to place mini fire brigades that can react quickly given the traffic. In response to GIZ request, in March 2018 the Accord obtained GPS coordinates of all Accord covered factories and provided this data to GIZ. GIZ was appreciative of the Accord's collaboration.

BEPZA

- The Accord met with BEPZA Chair and engineers to request DEA and core samples to be provided for the Accord's review, so that structural remediation in BEPZA-owned buildings is completed

DIFE

- The Accord invited DIFE engineers to: i) meet WSP structural engineers and Accord Lead Structural Engineer to share experience from WSP's recent work reviewing DEAs/EAs from Accord covered factories. ii) accompany the Jensen Hughes & Accord fire engineers on T&C verification inspections. The program entailed 3 weeks of daily inspections.
- The Accord has had 4 of evacuation/partial evacuation cases in the last month. The Accord lead structural engineer required temporary evacuation of the building. Accord utilized signatory brands and our critical findings protocols to achieve the evacuation while urgent remediation was performed.
- When the Accord terminates a factory following the Escalation Protocol, it advises DIFE of the concerns about remediation and forwards all inspection reports & CAPs for their follow up. The aim of this action is to transfer responsibility for monitoring factory safety to DIFE.

IG-FSCD-RCC; BUET

- The Accord shared inspection checklists for T&CVIs, for the following fire system components: air sampling system, fire alarm, fire pump, fire sprinkler, standpipe system.
- Accord donated fire safety teaching textbooks to the being established BUET Undergraduate Fire Safety Engineering Degree program.

Meeting and events internationally (paper 11)

Joris updated the SC on the Accord participation in international events.

The Accord led a workshop session at the event “Dutch Textile Covenant Roundtable: Putting due diligence into practice” (The Hague) organised by the Dutch Textile Covenant. Stakeholders present include brands (Dutch textile covenant signatories, Accord signatories); Dutch Government; German Textilbundnis; trade unions; NGOs; MSIs.

The Accord participated in panel discussions at the following events and conferences:

- “Has Anything Changed? Worker Rights & Safety, 5 Years After Rana Plaza” (New York) organised by ILRF/WRC/Ford Foundation. Stakeholders present include academics, media, brands, trade unions, NGOs, responsible investors.
- “Five Years Later: Rana Plaza and the Pursuit of a Responsible Garment Supply Chain” (The Hague) organised by the Asser Institute. Stakeholders present include brands, unions, NGOs, Dutch Govt, BGMEA. BD Ambassador for NL.
- “Annual Meeting of the WRC University Caucus” (Washington DC) organised by WRC.
- Public discussion with Kalpona Akter, human-rights defender from Bangladesh (Amsterdam) organised by CCC. Stakeholders present include General public, NGOs, media.
- “5 Years After Rana Plaza: Consequences for Labor Standards Improvements in Garment Supply Chains” (Berlin) organised by King's College London and Freie Universität Berlin. Stakeholders present include academics and NGOs.

Joris noted that at the request of company signatories during the March regional meetings, the Secretariat created and shared with all Accord signatories a communications kit including key messaging about the remediation and workplace programs progress achieved since the Accord was signed. Bob noted that Loblaw found the kit useful and thanked the Secretariat for their work.

Bob encouraged the SC and the Secretariat to strengthen the engagement with international and local stakeholders. He mentioned in particular the upcoming meeting of the Sustainability Compact in Brussels on the 25th of June (exact date to be confirmed). The chair confirmed that the Accord is likely to receive an invitation and would be advised to be present. Rob informed the SC that the Accord actively participates in all Compact reviews in Dhaka and meets separately with the Compact “assessors” from EU, ILO, Canada, and the US when such assessments take place in BGD.

Joris informed the SC that the Secretariat has drafted a communications strategy for the 2018 Transition Accord.

Actions:

- **Secretariat to share with SC the Accord’s communications strategy for the 2018 Transition Accord, including a list of key events where the Accord is expected to participate.**

6. AOB

- **The date for the next Interim SC meeting is Tuesday June 26th 2018 (Amsterdam).**

Close of Meeting