

2018 TRANSTION ACCORD STEERING COMMITTEE CONFERENCE CALL – MINUTES

Date: Friday 1st June 2018

Time: 2pm – 3pm

CONFERENCE CALL DETAILS:

Dial in number: +44 (0) 203 4333570

Conference code: 4696625453

ATTENDEES:

Chair: Dan Rees

Company signatories: Karl Fagerlin, Santiago Martinez-Lage Sobredo, Lary Brown, Bernardo Cruza

Trade Union signatories: Jenny Holdcroft, Christina Hajagos-Clausen, Alke Boessiger, Mathias Bolton

Witness signatories: Scott Nova, Ineke Zeldenrust

Accord Executive Team: Rob Wayss

Accord staff: Michael Bride, Miriam Neale, Raluca Dumitrescu, Veronique Camerer

Apologies: Jochen Overmeyer, Edward Southall, Amirul Haque Amin, Roy Ramesh

MEETING MINUTES

1. Introductions

The Chair welcomed those members of the Steering Committee present on the call and announced the launch of the 2018 Transition Accord.

1.1 Agree meeting agenda and any items of AOB:

Agenda agreed.

2. Confirm Interim SC decisions (paper 1)

Decisions taken by the Interim Steering Committee prior to the 2018 Transition Accord Steering Committee coming into effect on 1st June:

Decisions from 2nd February 2018 meeting

1. The Interim SC adopted a fee structure for the 2018 Accord. Band 7 fees were agreed at \$370,000 as per the euro-USD exchange rate on 2nd February 2018, in accordance with the stated €300,000 cap. The Interim SC agreed that the factory number bands in each fee band must include all active and responsible inactive factories for 2018 Transition Accord signatory companies (i.e. from the 2nd year of the 2018 Transition Accord onwards the factory numbers used in determining fees are based on all factories where a signatory is responsible under the 2018 Transition Accord covering active factories and any inactive factories where a signatory company has not been released from responsibility under Article 22”).
2. The SC agreed that ‘voluntary’ as written in the 2018 Transition Accord footnote to preamble paragraph 1 means brand-by-brand.
3. Pursuant to para 1 of the 2018 Transition Accord, signatories to the 2018 Transition Accord may choose to list their suppliers in any of the following categories: i) home textiles; ii) fabric and knit accessories. If a signatory so chooses, it must list all its suppliers in the respective category. The SC agreed for this decision to be posted on the Accord website under the FAQs section on the 2018 Transition Accord.
4. Secretariat to carry out feasibility study to cover: spinning mills; fabric mills; washing, dyeing, printing and finishing suppliers.

Decisions from 10th May 2018 meeting

1. The Interim SC agreed that the factory disclosure protocol must be presented to the 2018 Transition Accord company signatories before June 1st 2018 in order to ensure that company signatories are correctly listing the factories they are supplying from.
2. The Interim SC agreed that financing remediation is a matter of negotiation between signatory companies supplying from the same factory.
3. The Interim SC agreed on the budget for 2018-19.

The SC formally adopted the decisions taken by the Interim SC.

3. Discuss Workplace Programmes Working Group proposal (paper 2)

Michael summarised paper 2 mentioning that the proposal describes how the workers' right to Freedom of Association will be covered under the 2018 Accord, in the Safety Committee training curriculum and under the Health and Safety Complaints Mechanism.

Lary expressed positive feedback and commented that a one pager summarising the addendum would be useful.

SC approved the Workplace Programmes Working Group proposal.

Action:

- **Secretariat to develop short communication summarising the Workplace Programmes Working Group proposal.**

4. Escalation questions / letter templates for factories carried over from 2013 Accord

Rob explained that it is expected that there will be more than 200 factories that become inactive on 1st June 2018 where the Accord will continue to monitor the remediation without responsible brands. He informed the SC the Accord will continue to apply the escalation protocol to these suppliers, despite the fact that there will be no companies responsible to ensure that they complete the remediation and sought confirmation that this is consistent with the SC's opinion.

Lary commented that the escalation reflects on the factories' poor progress in completing remediation and/or participating in the workplace programs, independently of the factories' relationship with company signatories. As a result, the factories status as 'active' or 'inactive' should not interfere with the way the escalation protocol is applied.

The SC confirmed that the Secretariat shall apply the escalation protocol in the same way to all supplier factories covered under the Accord, regardless of their relationship with Accord company signatories.