

## STEERING COMMITTEE QUARTERLY FACE TO FACE MEETING - MINUTES

**Date:** Wednesday 12<sup>th</sup> November & Thursday 13<sup>th</sup> November, 2014

**Time:** 10am – 5pm and 9.30am – 3pm

**VENUE:**

Debenhams, 10 Brock Street, Regent's Place, London, NW1 3FG

**ATTENDEES:**

**Chair:** Dan Rees

**Company signatories:** Philip Chamberlain, Roger Hubert, Santiago Martinez-Lage Sobredo, Melanie Steiner, Lisa Fairclough

**Trade Union Signatories:** Jenny Holdcroft, Monika Kemperle, Roy Ramesh, Alke Boessiger

**Witness Signatories:** Scott Nova (12<sup>th</sup>), Ineke Zeldenrust (13<sup>th</sup>)

**Accord Executive Team:** Rob Wayss, Brad Loewen

**Accord Staff:** Tatiana Delany

**Apologies:** Uwe Hilker, Amirul Haque Amin, Christy Hoffman

ITEM	AGENDA ITEMS	WHO	COMPLETION DATE
<b>1</b>	<b>Introduction and Welcome</b>		
1.1	The Chair introduces and welcomes the new company board members and alternate members to the SC	Chair	-
1.2	Meeting agenda: - Agenda agreed with minor changes	Chair	-
1.3	Meeting: - The Chair reviews actions from the previous meeting	Chair	
<b>2</b>	<b>Governance</b>		

2.1	<p>Arbitration process:</p> <p>Background:</p> <ul style="list-style-type: none"> <li>- Governance WG last met on 19<sup>th</sup> September 2014 and agreed not to revisit previous SC decision to proceed with selection of standing arbitrators</li> <li>- However since the 19<sup>th</sup> Sept meeting the process of selection of arbitrators was put on hold due to concerns from company signatories. Their position is that per the Accord, the UNCITRAL Arbitration Rules govern, which rules do not require a standing panel to be appointed.</li> <li>- The SC note that under the UNCITRAL rules the designating authority may be the Permanent Court of Arbitration (PCA) in the Hague</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to circulate correct version (as revised in 2010) of UNCITRAL rules to SC</b></li> <li>- <b>SC agree not to proceed with selection of standing arbitrators. Arbitrators to be chosen on a case by case basis.</b></li> <li>- <b>MS to consult company signatories on the possibility of designating the PCA as the arbitration venue for the Accord.</b></li> <li>- <b>Governance WG to reconvene following above consultation and share feedback</b></li> </ul>	Secretariat Melanie Steiner	21.1.15
2.2	<p>Organizational structure – update and changes:</p> <ul style="list-style-type: none"> <li>- ED updates the SC on the current status of the organization structure in Bangladesh and Amsterdam.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Update the organisational chart to include functions that are outsourced</b></li> <li>- <b>EDs to put together a resource project plan including timelines and budget to assess resource requirements (including outsourcing needs e.g. inspection firms)</b></li> <li>- <b>EDs to consult with Management Committee on resource plan before presenting to SC</b></li> </ul>	Rob Wayss	21.1.15
2.3	<p>Management Committee (MC):</p> <ul style="list-style-type: none"> <li>- The SC welcome Jenny Holdcroft and Philip Chamberlain as the new members of the management committee</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to update the Terms of Reference of the MC to reflect that it is made up of two members (not three) with the EDs reporting into the MC and circulate updated TORs to SC</b></li> </ul>	Secretariat	4.12.14

2.4	<p>2015 SC quarterly face to face meeting dates:</p> <ul style="list-style-type: none"> <li>- Suggested dates: <ul style="list-style-type: none"> <li>- 21<sup>st</sup> and 22<sup>nd</sup> January: Amsterdam (company caucus meeting and all signatory meeting on 20<sup>th</sup> Jan)</li> <li>- 21<sup>st</sup> and 22<sup>nd</sup> April: Dhaka</li> <li>- 24<sup>th</sup> and 25<sup>th</sup> June: Amsterdam</li> <li>- 13<sup>th</sup> and 14<sup>th</sup> October: New York</li> </ul> </li> </ul> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to confirm suggested dates and locations over email/calendar invitation</b></li> </ul>	Secretariat	4.12.14
2.5	<p>Deed of Incorporation:</p> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to write up proposed language for amendment to Articles of Association to share with SC</b></li> </ul>	Rob Wayss	4.12.14
2.6	<p>Advisory Board update:</p> <ul style="list-style-type: none"> <li>- Executive Director updates the Steering Committee on the latest Advisory Board meeting which took place on 9<sup>th</sup> November 2014.</li> <li>- The SC is grateful for and notes the following items that the AB bring to their attention: <ul style="list-style-type: none"> <li>- Communication request that the monthly newsletter be shared with the AB; the ED clarifies that from December the newsletter will be shared publicly to all signatories and stakeholders</li> <li>- The AB ask the SC to approach the Alliance again in order to obtain their inspection reports</li> </ul> </li> <li>- The SC re-confirm that two (local) SC members should attend every AB meeting</li> <li>- The SC discuss a specific request from BGMEA that some Accord company signatories are still carrying out their own inspection programs</li> </ul> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to ask BGMEA for specific advice on which Accord companies are duplicating inspections</b></li> </ul>	Rob Wayss	4.12.14
3	<b>Management Reporting</b>		

3.1	<p>Inspection Process:</p> <ul style="list-style-type: none"> <li>- The CSI updates the SC on the inspection and remediation program and presents progress reports and data. The following topics are discussed by the SC: <ul style="list-style-type: none"> <li>- Accord/Alliance joint inspections and the urgent need for the Alliance to share inspection reports</li> <li>- The implications of the large number of new factories being added to the Accord factory list</li> <li>- WSPs DEA is in draft form and currently being tested in the field. The CSI clarifies that if waiting to progress with a DEA is having any impact on production capacity in a factory then the Accord would recommend that the DEA goes ahead with an Accord approved firm but without the DEA protocol. This is the current situation across most red/red amber factories.</li> <li>- The Accord's urgent need for support from company signatories to ensure remediation is progressing in their factories e.g. upscaling social compliance teams to monitor remediation progress</li> </ul> </li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>MS to reach out to Alliance board members to ask for their inspection reports</b></li> <li>- <b>DR to request the ILO to ask the Alliance for their inspection reports</b></li> <li>- <b>CSI and Secretariat to put together a 'remediation proposal' for how to best utilise resource of company signatories in order to push remediation forward</b></li> </ul>	Melanie Steiner Dan Rees Brad Loewen	21.1.15
3.1 (cont)	<p>Remediation meetings and critical closures:</p> <ul style="list-style-type: none"> <li>- The ED updates the SC on the remediation meetings facilitated by the Accord and on the current status of the critical findings factories</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Update SC with latest remediation financing data at next quarterly SC meeting</b></li> <li>- <b>Provide written report to the SC on compensation related to critical closures</b></li> </ul>	Rob Wayss	21.1.15
3.2	<p>Worker Participation and Training</p> <ul style="list-style-type: none"> <li>- The ED updates the SC on the following: <ul style="list-style-type: none"> <li>- The recent training sessions held by the Accord and the OHS expert group from the University of Berkeley California with the IndustriAll federations and also Accord case handlers</li> <li>- The work of the Training Coordinator and the status of the outreach videos</li> <li>- The Labour Act implementation rules and the implications that the delay of their issuance has on the Accord's role and responsibilities (and contingency plans in the interim phase)</li> </ul> </li> </ul>	Rob Wayss	25.12.14

	<p>in the setup of democratically elected OHS committees.</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to put forward a proposal to the SC to operationalize OHS committees in factories (in the interim period pending issuance of the implementation rules of the amended Labour Law) to be discussed at the next quarterly SC face to face meeting</b></li> </ul>		
3.3	<p>Communications:</p> <ul style="list-style-type: none"> <li>- The ED updates the SC on the internal and external communications implementation plan</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Circulate Crisis Management protocol with SC</b></li> <li>- <b>Re-circulate external communications strategy and implementation plan to SC</b></li> <li>- <b>Share public quarterly report with SC for sign off before distributing to signatories or online</b></li> <li>- <b>The SC agree that pursuant to a revised accurate map of BD the modified logo will be accepted as the new Accord logo.</b></li> </ul>	Secretariat	4.12.14
3.4	<p>Quarterly Budget:</p> <ul style="list-style-type: none"> <li>- The ED asks SC that he review budget in line with resource plan under agenda item 2.2</li> <li>- SC discuss the need for budget reporting and agree that quarterly reporting is sufficient provided that any exceptions are reported immediately to the MC</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Re-distribute copy of latest budget to SC</b></li> <li>- <b>Quarterly budget management report to be circulated before the next quarterly SC meeting</b></li> <li>- <b>Put forward a proposal to the SC on reporting exceptions to budget (overage and underage)</b></li> <li>- <b>Include budget line for SC meetings/governance</b></li> </ul>	Rob Wayss	21.1.15
3.5	<p>Fundraising (IFC):</p> <ul style="list-style-type: none"> <li>- The SC discuss the current situation of the IFC loan facility</li> </ul>	-	-
3.6	<p>Bangladesh Factory Fund:</p> <ul style="list-style-type: none"> <li>- The SC discussed in July the feasibility of setting up a special fund for factory closure cases; the ED and CSI believe that there are likely to be very few critical cases going forwards</li> <li>- The SC discuss alternative situations where funds may be needed to support worker wages</li> </ul>	Rob Wayss	21.1.15

	<b>Action:</b> <ul style="list-style-type: none"> <li>- ED to put a proposal together on the potential of a factory fund and present at next quarterly meeting</li> </ul>		
<b>4</b>	<b>Stakeholder Engagement</b>		
4.1	BGMEA (acceptance of SCs invitation for bi-annual meeting) <b>Action:</b> <ul style="list-style-type: none"> <li>- ED to follow up with BGMEA to invite them to the first meeting week commencing 20<sup>th</sup> April 2015, confirming that the Accord will host the meeting with a jointly determined agenda</li> </ul>	Rob Wayss	4.12.14
4.2	Accord role in December RMG summit: <b>Actions:</b> <ul style="list-style-type: none"> <li>- The SC agree that the ILO Chair cannot speak on Accord's behalf and he should formally decline invitation. The SC also agree that SC members cannot speak on behalf of the Accord at public events</li> <li>- The SC agree that the Accord will be represented by the ED at relevant panel sessions</li> </ul>	Rob Wayss`	-
4.3	Alliance: <ul style="list-style-type: none"> <li>- The SC discuss the potential agenda items to propose for their meeting with the Alliance board</li> <li>- The SC discuss potential dates for their meeting with the Alliance board</li> </ul> <b>Actions:</b> <ul style="list-style-type: none"> <li>- Philip Chamberlain to draft a letter to the Alliance proposing the above dates and including an invitation for a pre-meeting to discuss and formalise agenda.</li> <li>- The SC agree Melanie Steiner, Philip Chamberlain, Jenny Holdcroft and Christy Hoffman will attend</li> </ul>	Philip Chamberlain	17.11.14
<b>5</b>	<b>Next Steps</b>		
5.1	Tier 3 factories (pre-circulated paper): <ul style="list-style-type: none"> <li>- The CSI summarizes the pre-circulated paper on tier 3 factories, the SC discuss the factory tiering implications under the Accord and their concern over how to ensure remediation across all Accord factories</li> <li>- No decision taken</li> </ul>	Rob Wayss Brad Loewen Working Group	21.1.15

	<p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to re-draft pre-circulated letter &amp; SC company reps to put together a second proposal to consult with working group (made up of ED, CSI, JH, IZ, MN, SML and MS) by mid-December</b></li> <li>- <b>SC agree that two <u>workable proposals</u> should be sent to company caucus before the January meeting for their consideration</b></li> <li>- <b>SC agree that until the above proposals are finalised and one is agreed on, the Secretariat will continue on a 'case-by-case' basis</b></li> </ul>		
5.2	<p>Outstanding membership fee payments:</p> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to follow up once more with each company before escalating to SC at next quarterly meeting</b></li> <li>- <b>ED to send report of which companies have not paid to SC</b></li> </ul>	Rob Wayss	21.1.15 & 4.12.14
5.3	<p>Monitoring Article 23 (pre-circulated report):</p> <ul style="list-style-type: none"> <li>- The SC agree that the focus of the Secretariat's attention should be on monitoring the most vulnerable factories where the Accord has no leverage to support remediation</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to produce a new report based on discussed criteria for potentially 'vulnerable' factories</b></li> </ul>	Secretariat	4.12.14
6	<b>AOB</b>		
6.1	<p>Effectiveness of the Steering Committee:</p> <ul style="list-style-type: none"> <li>- The Chair asks the SC to discuss how it could be a more effective governing board and suggests two areas of focus: <ul style="list-style-type: none"> <li>- Oversight function of Executive Team</li> <li>- Effective decision making</li> </ul> </li> <li>- The SC discuss standing agenda items at quarterly face to face meetings and annual meetings which will include detailed management reporting</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Agenda to be agreed by MC in consultation with the Secretariat &amp; supporting information provided at least a week in advance with brief explanation or introduction on each paper</b></li> <li>- <b>Public quarterly report to be circulated to SC before going to any signatories or public</b></li> </ul>	Chair Secretariat Management Committee	-

	<b>distribution. Following SC approval this will be circulated to signatories a week before going public</b>		
6.1	<p>The role of suppliers/agents under the Accord:</p> <ul style="list-style-type: none"> <li>- The SC agree that there can be no change to the Accord obligations for different company signatories</li> </ul>	Philip Chamberlain	14.11.14
6.2	<p>Anti-bribery policy:</p> <ul style="list-style-type: none"> <li>- Lisa Fairclough asks whether the Accord has an anti-bribery policy and how the Accord is monitoring or training staff on anti-bribery as the Accord must have a zero tolerance policy towards bribery</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>ED to consult Santiago Martínez-Lage to strengthen language on anti-bribery in internal personnel policy</b></li> <li>- <b>ED to circulate personnel policy to the SC</b></li> <li>- <b>ED and CSI to run anti-bribery training for all staff and include it in onboarding training</b></li> </ul>	Rob Wayss	4.12.14
6.3	<p>Power of Attorney:</p> <ul style="list-style-type: none"> <li>- The SC approve the EDs POA (to include both Bangladesh and the Netherlands)</li> </ul>	Rob Wayss	Immediate