

**STEERING COMMITTEE QUARTERLY FACE TO FACE MEETING - MINUTES**

**Date:** Tuesday 13<sup>th</sup> & Wednesday 14<sup>th</sup> October, 2015

**Time:** 9.00am – 5pm & 9.00am – 16:00pm

**VENUE:**

PVH,  
The 12<sup>th</sup> floor heritage showroom  
200 Madison Ave.  
New York

**ATTENDEES:**

**Chair:** Dan Rees

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

**Trade Union signatories:** Christy Hoffman, Jenny Holdcroft, Alke Boessiger, Monika Kemperle, Roy Ramesh

**Witness signatories:** Scott Nova

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

**Accord staff:** Tatiana Delany, Miriam Neale

**Apologies:**

ITEM	AGENDA ITEMS	WHO	COMPLETION DATE
1	<p><b>Introductions</b></p> <ul style="list-style-type: none"> <li>- The Chairman welcomes those members present and thanks PVH for hosting the meeting.</li> </ul>		
1.1	<p><b>Agree meeting agenda and any items of AOB:</b></p> <p>Agenda agreed with following additions;</p> <ul style="list-style-type: none"> <li>- Update on security issues in Bangladesh</li> <li>- Update on lawsuits (agenda item 4.4)</li> <li>- Proposed change to wording of Article 21 template letters (agenda item 3.3)</li> <li>- Recruitment of Training Coordinator and Business &amp; Finance Controller (agenda item 3.4)</li> </ul>		-

2	<b>Governance</b>		
2.1	<b>Review last meeting agreed actions:</b> <ul style="list-style-type: none"> <li>- No outstanding actions</li> </ul>		
2.2	<b>Advisory Board (AB) Update:</b> <p>Rob Wayss introduces proposal to change the AB structure (paper 1) and refers to changes highlighted in paper 1.</p> <ul style="list-style-type: none"> <li>- The AB last met on 6<sup>th</sup> September and discussed changes to the AB structure. The proposed changes were circulated following the meeting requesting comments.</li> <li>- Proposal is to reduce the size of the AB to reflect actual member participation</li> <li>- Roger Hubert suggests that the Accord asks the new board of the BGMEA whether they would be willing to participate in the AB. This request to BGMEA shall be raised at the next Accord – BGMEA monthly meeting.</li> <li>- The SC agrees to Jenny Holdcroft’s suggestion that the Accord opens up attendance at the AB meetings (within the current identified membership groups) to act as a broader forum for the Accord to engage directly with interested stakeholders.</li> <li>- The SC agrees to Melanie Steiner’s suggested wording change to paper 1, paragraph 2, to now state; ‘Where safety issues are identified, retailers shall require the factory to implement corrective actions and if the factory closes for renovations to maintain employment income for a period of no longer than 6 months.’</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Rob Wayss to amend the AB terms of reference to incorporate the agreed decision to move to a broader forum of open membership without formal representation and amend wording of para. 2 in line with agreed language on signatory company obligations. For management committee review and approval.</b></li> <li>- <b>Rob Wayss and Roger Hubert to invite the new BGMEA board to participate in the AB at the next bi-lateral BGMEA/Accord meeting</b></li> </ul>	<b>Rob Wayss</b>	<b>2/11/15</b>
2.3	<b>Dispute Resolution Procedure:</b> <p>Rob Wayss explains paper 2: an internal document for SC review setting out the administrative role and expectations of the Accord Secretariat in the dispute resolution process. The SC request the following corrections to the document:</p> <ul style="list-style-type: none"> <li>- Page 1, section heading ‘Initial discussions’; should read ‘the complaining party shall give written notice to the other party at least 15 days’ before raising formally with the SC’.</li> <li>- Page 1, footnote; should read ‘UNCITRAL arbitration rules (as revised in 2010)’</li> <li>- Page 1, section heading ‘Charge filed with SC/investigation by the committee’; clarify that the SC committee is made up of two members</li> <li>- Page 2, section heading ‘Arbitration’; replace ‘explain the UNCITRAL arbitration rules that will govern this process’, with ‘circulate UNCITRAL arbitration rules’.</li> </ul> <p>Subject to the above four amendments, the SC agree to accept this internal process document.</p> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to amend the document as per the above changes and re-circulate to the SC.</b></li> </ul>	<b>Secretariat</b>	<b>Immediate</b>

3	<b>Management Reporting (Executive Office pt. 1)</b>		
3.1	<b>Review last meeting agreed actions:</b> The SC discuss outstanding actions from the previous meeting: <ul style="list-style-type: none"> <li>- No outstanding actions</li> </ul>		
3.2	<b>Inspection Program:</b>  <u>Initial inspections update</u> <ul style="list-style-type: none"> <li>- Brad Loewen updates the SC on the status of the Accord initial inspection program of newly listed factories. The Accord has contracted Hughes, Woosun and Arup to inspect approximately 100-140 new factories beginning the week commencing 19<sup>th</sup> October 2015 with a deadline of mid-December 2015.</li> </ul> <u>New Factory Projections (Monthly report; New Factory Analysis)</u> <ul style="list-style-type: none"> <li>- In September 2015 13 new factories were listed by Accord signatory companies, in line with ongoing projections and the initial inspections budget.</li> <li>- The number of new factories being added to the Accord list does not necessarily correspond with the number of initial inspections required because some factories are in shared buildings so only require a fire or electrical inspection and a number of new factories are already Alliance inspected.</li> <li>- From 2016 onwards the Accord plans to inspect newly listed factories in-house. The Accord carried out 3 initial inspections in-house over the summer of 2015 and Brad is confident that the Accord engineers have the technical skills and equipment to be able to continue to do these.</li> </ul>	<b>No actions</b>	-
3.3	<b>Remediation:</b>  <u>Remediation challenges (Accord strategy remediation progress, brand surveys &amp; labor/NGO analysis) (Paper 3 &amp; 4)</u>  Brad Loewen presents paper 3 outlining the remediation strategy developed in July to run a program of intensive monitoring of selected factories of concern and to give recognition for factories which complete their initial CAPs. <ul style="list-style-type: none"> <li>- 20 factories were selected to participate in the intensive monitoring program. One factory has since closed.</li> <li>- A dedicated team of one fire, one electrical and one structural engineer are responsible for monitoring these factories and visiting them on a monthly basis. Due to Eid the first round of follow-up inspections took 6 weeks.</li> <li>- The case handler for each factory attended the first follow-up inspection.</li> <li>- A number of disappointing common findings e.g. collapsible gates and lockable gates, many factories were yet to order fire doors.</li> <li>- During or following these visits, collapsible and lockable gates have been removed, fire doors ordered and factories have renewed commitment to complete their CAPs within 3 to 4 months.</li> <li>- Out of 18 factories inspected, 13 factories have informed the Accord that financing is an issue and a reason for the remediation delays. The Accord has set up meetings with the signatory companies in these 13 factories and the factory management to discuss finance plans.</li> </ul>		

- The impression from these visits is that the factories have failed to act until now and are only now moving forwards because they are aware that there will be a rapid follow up visit from the Accord so this is driving quicker action.

Jenny Holdcroft asks what the Accord is doing to engage with lead brands in these factories, given that the Accord does not have the capacity to replicate this intensive monitoring across all factories. Rob Wayss explains the factory designation review process; where the Secretariat hold monthly meetings with the 8 largest Accord companies to assess their lead brand factories most behind schedule and agree specific next steps for those factories.

Jochen Overmeyer asks whether the lead brands for these factories have any commercial leverage to influence the factory management. Jenny Holdcroft comments that commercial leverage is not the only incentive under the Accord and furthermore it is not about individual leverage, but collective leverage under the Accord. Dan Rees summed up that the collective leverage of the brands is not being brought to bear in all cases.

Melanie Steiner proposes that the SC evaluate the obstacles to remediation and collectively develop a strategy to implement solutions e.g. the company caucus could have an oversight group to establish expectations and oversee performance of lead brands.

Secretariat explains that case handlers request a CAP update every month from factories and lead brands to push for progress. There is also guidance on the role of the lead brand and a five-point plan on how to monitor remediation. The Accord has a company performance report which analyses remediation progress across each company's factory list.

Philip Chamberlain explains that the brands surveys revealed that the DEA review process was the biggest remediation obstacle and suggests that there is budget to hire consultants to support the DEA process. Santiago Martinez-Lage Sobredo has had feedback from the Inditex team that there is a lack of methodology and clear guidelines for the DEA process and Jochen Overmeyer agrees that the repeated reviews of the same DEAs indicate a lack of guidelines. Brad Loewen explains that there is DEA guidance available on the Accord website and that DEA re-submissions are the result of a lack of expertise in Bangladesh not because of a lack of guidelines. The Accord's primary focus has been on red and red/amber factories and these do not experience major delays in review. DEA reviews of factories of less concern take longer. It is important to put the DEA discussion in context, factories requiring DEA approval may not have yet ordered fire doors and this is unrelated to the DEA process, the DEA is one finding in a report and is no excuse for not fixing all other issues. Many factories state that if the structural remediation is too great then they may relocate and therefore don't want to invest in fire remediation. However, a DEA can be carried out in 6 weeks and it is possible to know at this point what the approximate cost of structural remediation will be, so the decision whether to relocate can be made very quickly. The Accord acknowledges this is a slow process and has hired six new structural engineers in the last two weeks to speed up the approval process.

Scott Nova asks for recognition of the root problem before discussing solutions and that the fundamental problem is not lack of information or knowledge but lack of will. He believes this is the reason why even the best performing signatory brands still have over 70% of their factories behind schedule.

Rob Wayss suggests that a practical step which would significantly impact the pace of remediation would be if every company could visit each of their factories, either through an agent or travel to Bangladesh. Roger Hubert agrees this is a good step and will resonate with companies which are active, however others are not active and they are unlikely to step up. Larger brands have to support on areas where smaller brands are unable to move the remediation forwards. H&M for example have started contacting all their factories where they are not lead brand and asking for an update, in many cases they are not getting any information from the lead brands. The Accord has budget to review resources and should also be prioritizing addressing data updating delays.

Dan Rees sums up that some brands are not playing the lead brand role adequately and that there needs to be more rigour and effort in the process. Melanie Steiner proposes a taskforce to develop a strategy to address obstacles to remediation, including consideration of resources to implement it. Christy Hoffman raises doubts that a taskforce will be successful and believes it is possible to agree on important actions in this meeting.

Scott Nova agrees with Christy and comments that the root cause of the issue is between factories and brands. He further suggests it should be possible to agree on how to best allocate Accord resources e.g. to increase frequency of follow up inspections. He specifically asked what resources the Accord would require to visit every factory every 2 months. Brad Loewen explains that the follow-up inspections are an 8-month turnaround and the Accord would need to triple the number of engineers to do a follow-up every 2 months. He clarifies that he sees it as the role of the brands to do regular monitoring.

Roger Hubert agreed that brands need to increase monitoring but also remarks that Accord data shows that 27,000 issues are pending verification and the Accord needs resources to verify these issues. Rob Wayss agrees that it would be good to increase resources in verification.

Dan summed up the SC agreement so far on necessary steps:

- Review the lead brand role and effectiveness and develop a strategy
- Utilise data to inform engagement with signatories, monitor and focus on the brands which are not doing adequate work
- Lever the big brands to have more significant impact across larger number of factories i.e. following up in non lead brand factories
- Review resource allocation to maximise Accord's role e.g. follow up inspections, DEA reviews, managing escalations

#### Financing remediation:

It was agreed that the SC brand representatives would provide a report to the SC by 3<sup>rd</sup> July. This was not completed. The question of what are the options for the Accord to collect accurate data on a factory-by-factory basis was discussed.

Rob Wayss presents the monthly data on finance plans to the SC: 91 cases pending and 636 finance plans confirmed, in the large majority self-financing. Melanie Steiner asks what the reason is for so few responses. Miriam Neale explains that a common scenario is the factory requests financial support but does not provide a detailed breakdown of the support required or any supporting documents. Roy Ramesh explains also that factory owners are reluctant to say in front of their customers that they cannot finance the remediation so they are saying they will self-finance.

The SC agree that obtaining the most accurate data is inextricably linked to the follow-up process and especially the escalation process.

Dan Rees sums up that financing is an important clause in the Accord and so accurate data would help to deal with credibility issues surrounding the Accord and also to understand if the CAP is going to be delivered.

#### Article 21

The SC company representatives request some changes to the template letters for use by signatory companies in the Article 21 process.

- Jochen Overmeyer explains the suggested edits proposed by the SC company reps in templates 2 and 3.

	<ul style="list-style-type: none"> <li>- The SC agree to keep the provision that Article 21 implementation covers all factories under the same owner and/or part of a factory group in the protocol.</li> <li>- Subject to the discussed language changes, templates 3 and 5 are agreed by the SC.</li> </ul> <p>Brad Loewen updates the SC on the status of the escalation process:</p> <ul style="list-style-type: none"> <li>- 145 stage 1 notifications of non-compliance have been issued (either by case handlers or engineers). In 19 cases there was no or inadequate action in response to the stage 1 warning letters. In Sept 2015, these were escalated to stage 2.</li> <li>- The dates set out in the stage 2 letters have now passed and 6 factories have not responded which now leads to stage 3 and termination of business by the signatory companies in these cases.</li> <li>- Of the 6 stage 3 factories 3 have active Accord business and 3 only have inactive responsible brands</li> <li>- The Accord is following up on any stage 2 cases where the brands did not issue the notice and warning letter.</li> <li>- There are a number of factories in the stage 1 category which also need to be now escalated to stage 2.</li> <li>- The CSI is proposing to hire a coordinator to manage the escalations process.</li> </ul> <ul style="list-style-type: none"> <li>- Melanie Steiner and Christy Hoffman suggest having clear criteria for the escalation process and ask at what point the Accord starts implementing each stage of the process. Brad Loewen explains that close monitoring is indeed vital, and clarifies that the first letter is issued within 24 hours of a follow-up inspection if some critical items with immediate timelines have not been fixed e.g. lockable gates are not removed. Stage 1 letters are also issued if the factory has not responded to establish a CAP. Cooperation is more nuanced than simply whether the factory has fixed a specific issue. In every case escalation is for a different reason.</li> <li>- Scott Nova asks at what point the Accord picks up on factories which have dealt with immediate actions, but now need to complete the rest of their CAP. Brad Loewen explains that they become part of the follow-up process and case handlers ask for regular status updates.</li> <li>- Roy Ramesh raises a concern about workers in factories where the Accord signatory brands have terminated business and the factory potentially closes. Jenny Holdcroft asks the brand representatives to advise the company caucus about the importance of supporting workers to seek alternative employment in compliant factories. The SC discuss the need for a proposal on how to manage relocation of workers in Article 21 potential closure cases.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Miriam Neale to provide analysis of the Factory Designation Review process (meetings with largest signatory companies to discuss factories most behind schedule) and impact on CAP status for next quarterly SC meeting</b></li> <li>- <b>Rob Wayss and Brad Loewen to develop a resource allocation proposal by 2<sup>nd</sup> November 2015, which will provide for the expenditure of substantial additional funds to increase follow-up inspection capacity.</b></li> <li>- <b>Secretariat to update the escalations tracker (and monthly SC report) to clarify which factories have moved out of stage 1 into the ‘normal’ follow-up process</b></li> <li>- <b>Secretariat to provide proposal on how to deal with workers re-employment in Article 21 potential closure cases.</b></li> </ul> <p><i>See further actions under remediation part 2 on Wednesday 14<sup>th</sup> October below.</i></p>	Secretariat	2/11/15 and 18/1/16
3.4	<p><b>Worker Participation and Training:</b></p> <p><u>OHSCs implementation update; pilot (paper 5)</u></p>	Rob Wayss	Early to mid November

Rob Wayss updates the SC on the current status of the pilot program and talks through the stages involved in establishing OSH committees in the 6 pilot factories.

- Jochen Overmeyer asks what the response was from the workers in the all employee meetings. Rob Wayss responds that a number of the workers asked questions and Joris Oldenziel, who attended the all employee meeting, indicated that workers were not afraid to ask questions. Rob Wayss attended all initial meetings.
- Philip Chamberlain asks if the brands joined the initial meetings and also what resource capacity the Accord has for a full roll-out of OSH committees. Rob Wayss confirms that in every case the lead brand attended the initial meetings and that the Accord has budgeted for 35 trainers and 15 OSH assistants and 5 field offices.

Status of BLA implementation rules; consequences and next steps

- Bangladesh Labour Act implementation rules (BLA rules) have been published and in large part are the same as the draft rules discussed in June and July by the SC

**Action:**

- **Rob Wayss to put together a detailed and methodical proposal as informed by the final BLA rules on how to set up OSH committees in non-unionised factories and also how to align with other initiatives. By early to mid-November. Proposal to be brought to the management committee before the SC.**

Update from WG on WP on training materials

Rob Wayss updates the SC on the preparation of the OSH training materials:

- Five training modules; the fifth subject has been extended to two sessions. Four modules have been finalised and vetted by the working group on worker participation and are now with the management committee.
- Joris Oldenziel has sent the right to refuse unsafe work and complaints mechanism booklet to the management committee for sign-off
- All materials have been shared with the ILO and received input and positive comments.
- Joris Oldenziel is helping to coordinate a standard training manual for the trainers.

Update on OSH complaints

Rob Wayss explains that only a few complaints have been filed since the last SC meeting

- Complaints are usually filed through the union federation, a field resource person or sometimes directly through a call from a worker.
- Joris Oldenziel is working on a complaints report for the SC and the Accord website.
- Jochen Overmeyer asks how the Accord verifies information when a complaint is raised. Rob Wayss explains that the Accord follows the worker participation proposal principles, as agreed by the SC in February 2014, whereby the burden is on the employer to demonstrate that there was no reprisal. The Accord carries out extensive investigation through meetings and interviews with all parties. However, if there is no consensus reached then the Accord will issue a resolution accordingly based on the information from the investigation. Workers retain their right to pursue cases through the Labour Courts or BGMEA arbitration.

SC return to remediation agenda item 3.3. on Wednesday 14<sup>th</sup> October.

<p>3.3</p>	<p><b>Remediation (part 2)</b></p> <p><u>Lead brand guidance</u></p> <p>Philip Chamberlain sums up the SC company representatives’ discussion on changes to the lead brand guidance paper. The proposed paper is split into three sections a) general guidance; the outline of the lead brand role, b) key actions for a lead brand in the CAP finalization process and c) a proposed new section on key actions in CAP implementation/remediation. Suggested amendments as follows:</p> <ul style="list-style-type: none"> <li>- ‘Outline of lead brand role’; add a fifth point (final wording not agreed) to state that failure to undertake all the above could lead to a charge being brought by another signatory i.e. to make it clear to the signatory companies that they have a responsibility to act as lead brand as set out in this paper.</li> <li>- Specify timelines in both ‘key actions’ sections</li> <li>- In the proposed new section on key actions in CAP implementation:             <ul style="list-style-type: none"> <li>- Accord approves a CAP; include Accord timelines</li> <li>- Meeting for factory management and lead brand to discuss next steps. All brands in the factory would be informed by the lead brand as to the outcomes of that meeting</li> <li>- Follow-up by CAP item in date order by the lead brand</li> <li>- Monthly update to all brands indicating any delays. Delays can be a mixture of reasonable or unreasonable. If a factory faces a delay which the lead brand considers to be reasonable then the action is to contact the Accord and ask for a timeline extension with explanation. If the lead brand judges the delay is an unreasonable one, then the lead brand should set up a meeting with the factory management and all brands. At that meeting verbal warning is given to the supplier with timelines to deal with unreasonable delays. If there is no progress then the lead brand should advise the Accord of the unreasonable delays and this may lead to the Accord escalation process. The SC company representatives request an escalation tree to incorporate this stage of the escalation process to explain to company signatories.</li> </ul> </li> <li>- The SC company representatives advise that they will approach all other lead brands in all factories in their lists and request a progress update and in case of necessity, offer assistance with the lead brand role. The SC company representatives will ask the largest 10 Accord signatory companies to carry out the same exercise.</li> <li>- The SC company representatives propose that once the above amendments to the lead brand guidance are finalised then they will distribute this to all companies and advise all companies of their responsibilities.</li> <li>- Scott Nova asks for clarification of whether the brands are proposing that the lead brand would decide if a factory goes through the escalation process. Melanie Steiner explains that the escalation process is still managed by the CSI, but that a lead brand can request a factory go through the escalation process with evidence of unreasonable delays. Christy Hoffman adds that there needs to be a clear outline of the responsibility of brands once a factory is in the escalation process. Dan Rees recaps the discussion from the previous day that the SC agreed to a need for clear criteria through the escalation process. Scott comments that the CSI needs to have considerable discretion to evaluate each case so a protocol needs to combine clear criteria and CSI judgement. SC members agreed that the process described by the brands is for brands to</li> </ul>		
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	<p>“put a supplier on notice” and is not a situation where the brand would be assuming authorities of the CSI related to decisions on escalation.</p> <ul style="list-style-type: none"> <li>- The SC agreed to a remediation working group to develop a document with Brad to explain the triggers which will lead to implementation of escalation steps. The members could be the same as the effective remediation WG (Mel, Santiago, Ineke (alternative), Jenny, Brad, Miriam).</li> </ul> <p><u>Monitoring poor performing companies</u></p> <p>Roger Hubert explains how the SC company representatives propose to address worst performers in the caucus in three stages:</p> <ul style="list-style-type: none"> <li>- Letter to all company signatories, signed by the SC company reps, to explain that they will follow up with companies not meeting their Accord responsibilities so that all companies are aware of potential escalation</li> <li>- Letter to senior management of the worst performers, to express that the SC would like to see action within a given timeframe and request to meet with them to discuss. Letter to be sent from the whole SC.</li> <li>- Letter to the CEO of any company with unacceptable performance to notify of potential breach of Accord contract. Letter to be sent from the whole SC.</li> </ul> <p>Scott Nova asks what criteria the Secretariat should use to judge the worst performers. The Secretariat will propose criteria to the remediation working group for worse performers e.g. below a benchmark, bottom 10, bottom 10% etc.</p> <ul style="list-style-type: none"> <li>- The SC discuss resource allocation and management of the escalations process. Rob Wayss and Brad Loewen agree that in the resource plan they will prepare, they will increase capacity around follow-up and also envisage an enforcement/escalation division.</li> <li>- Rob Wayss also explains that a significant capacity limitation is that the Accord does not yet have field offices due to challenges in obtaining field office registrations.</li> <li>- Brad Loewen explains that increasing capacity at the Accord also has an impact on progress because existing staff members have to spend time to orient and train new staff.</li> <li>- Rob Wayss advises that the Accord may need to increase staff size in the Amsterdam office to support Miriam Neale and Tatiana Delany in their work with outreach to signatory companies on factory review meetings.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Remediation working group to re-confirm members by end October to the Secretariat.</b></li> <li>- <b>Secretariat to propose criteria to the remediation working group for assessing performance of company signatories.</b></li> <li>- <b>Brad Loewen and the remediation working group to revise escalations protocol to include company signatory responsibilities, criteria for escalations, specific triggers through each stage of the escalations process, a requirement that there be a financial discussion (involving brands, supplier and Accord staff) for escalated factories, timelines and a resource plan. Brad to make initial proposal on triggers. Draft to be sent to the SC for approval by 15<sup>th</sup> November 2015.</b></li> <li>- <b>SC company representatives to revise the lead brand guidance, subject to review by the working group.</b></li> <li>- <b>Miriam Neale to revise the 5-point plan on monitoring remediation in line with the updated lead brand guidance.</b></li> <li>- <b>SC company representatives to re-issue the revised lead brand guidance to the caucus along with the updated escalation protocol (as finalized by the working group and agreed by SC) and revised 5-point plan.</b></li> </ul>	<p>SC Company reps  Working Group</p>	<p>November</p>
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<b>4</b>	<b>Management Reporting (Executive Office pt. 2)</b>		
4.1	<p><b>Review Last Meeting Agreed Actions</b></p> <p>The SC discuss outstanding actions from the last SC meeting</p>		
4.2	<p><b>Data Management:</b></p> <p><u>SC confidentiality agreement</u></p> <p>Santiago Martinez-Lage Sobredo explains that in April 2015 the SC agreed to put together a confidentiality agreement for documents shared with the SC. Santiago has prepared a proposed unilateral agreement amongst SC members. This document includes witness signatories in the scope of the agreement and assumes that documents are not confidential unless the Secretariat explicitly states (written or verbal) otherwise.</p> <ul style="list-style-type: none"> <li>- The SC agree that a watermark stating ‘confidential’ should be used on all confidential documents.</li> <li>- Rob Wayss confirms that confidentiality is included in all contracts for international Accord staff and all Bangladesh staff have signed separate confidentiality agreements.</li> <li>- The SC agree to the following amendments to the agreement: <ul style="list-style-type: none"> <li>- Remove ‘elected’ in background section because labour reps are not elected.</li> <li>- Clarify that this is for all SC members and alternates</li> <li>- Add the Chair</li> </ul> </li> <li>- SC agree to sign the confidentiality agreement subject to the above changes.</li> <li>- The SC request that the Accord checks the security status of dropbox and if necessary explores alternative file share mechanisms which require a password.</li> </ul> <p><u>Assessing number of issues from ‘pending verification’ back to ‘in progress’ (paper 6)</u></p> <p>Brad Loewen introduces paper 6, which is a response to the SC request in June to assess the number of CAP status issues which move from ‘pending verification’ status to ‘in progress’ after a follow-up inspection. This required significant customization work to the Accord/FFC database. This work went live from 25<sup>th</sup> September so changes in the status of a finding are now trackable. This data will be reported on from December 2015.</p>		

4.3	<p><b>Signatory Management:</b></p> <p><u>Signatory companies closing (paper 7)</u></p> <p>Rob Wayss refers the SC to paper 7; a table of signatory companies with outstanding fees for Years 1 and/or year 2 or who are no longer sourcing in Bangladesh.</p> <ul style="list-style-type: none"> <li>- SC decision is that companies cannot terminate their Accord contract and are obligated to pay all fees.</li> </ul>	<b>Secretariat</b>	<b>Immediate</b>
4.4	<p><b>Human Resource Management</b></p> <p>Rob Wayss updates the SC on staffing and field office issues</p>		
4.5	<p><b>Budget and Accounting</b></p> <p>i. <u>Quarterly Budget (budget vs. actual) (paper 8)</u></p> <p>Underspent by approximately 50% for the quarter:</p> <ul style="list-style-type: none"> <li>- The Accord did not conduct initial inspections in this quarter and a significant amount was budgeted for these. This will be used in the next quarter as we expect to do approximately 100 – 140 initial inspections.</li> </ul> <p>ii. <u>Mtg. Committee proposal on reporting exceptions to the budget</u></p> <p>Rob Wayss distributes the second draft of the proposal on reporting exceptions to the budget, which states that the Accord would report to the SC if there is a 10% of more difference by budget area with identifiable reasons. The management committee have agreed to include overspend/underspend as a standing agenda item at all management committee meetings. The SC accept this proposal.</p>		
	<p><b>Roy Ramesh leaves the meeting</b></p>		
5	<p><b>Communications</b></p>		
5.1	<p><b>Review Last Meeting Agreed Actions</b></p> <ul style="list-style-type: none"> <li>- No outstanding items for discussion</li> </ul>	-	-
5.2	<p><b>External Communications</b></p> <p><u>Quarterly Aggregate Report (QAR) (Paper 9)</u></p> <p>The SC discuss the data in the latest draft QAR. Brad Loewen refers the SC to the new section in the QAR called ‘factory remediation status’ which includes data on factory designations. The SC requested various changes in the report.</p> <ul style="list-style-type: none"> <li>- Page 1 summary: ‘more than 50% of all issues identified are reported or verified as corrected’. Scott Nova asks that this be caveated to say this statistic only covers technically approved CAPs.</li> <li>- Page 11: Change the order in the table i.e. CAP completed first and then CAP in progress.</li> </ul>		

	<ul style="list-style-type: none"> <li>- Page 11: Scott Nova requests further contextualisation &amp; a breakdown of reasons on the number of factories without CAPs</li> <li>- Change use of word corrected to verified throughout</li> <li>- Page 11: split out the table setting out the 'breakdown of factories behind schedule in %s of issues pending verification and verified' into two and re-title to make more intuitive. Correct the data in the verified column.</li> <li>- Page 6: DEA graph. Roger Hubert comments that the Accord has only approved 17 DEAs in three months and clearly this indicates more resources need to be allocated to this. The accompanying narrative is not clear and is open to negative interpretation, the difference between acceptance, rejection and re-submission of DEAs requires clarification.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat amend the QAR and re-circulate to the SC for sign-off.</b></li> </ul>	<b>Secretariat</b>	<b>Immediate</b>
5-3	<p><b>Stakeholder Engagement</b></p> <p><u>Accord/Alliance</u></p> <p>The SC agree that the Accord must do a follow-up/verification visit at all Accord listed factories. Scott Nova points out that there are 100+ Accord/Alliance shared factories still missing Accord CAPs. Brad Loewen explains that if the inspection reports have been received then the case handler and the Accord lead brand are working with the factory on a CAP.</p> <p><u>BGMEA/BKMEA</u></p> <p>Rob Wayss confirms that the SC received a pre-circulated email from BGMEA. The Accord has responded to this email and confirmed the next bilateral meeting date to discuss the three issues raised.</p> <ul style="list-style-type: none"> <li>- The first issue is on Accord/Alliance 'duplicate' follow-up. The Accord has shared the joint letter from the Accord and Alliance with BGMEA on follow-up inspections in shared factories.</li> <li>- The second issue is on non-acceptance of NAP inspections.</li> <li>- The third issue is on the role of the Field Resource People (FRP). The BGMEA have been critical of the work of the FRPs for over a year. The Accord has investigated every concern raised by the BGMEA and reported back to them on the investigation. On a couple of occasions the concerns raised were legitimate and this was addressed directly with the FRPs.</li> <li>- The BGMEA asked the Accord for a list of FRP assigned factories each month and asked if the FRP can contact the factory management to arrange the meeting at the factory. The Accord agreed on the understanding that if the factory does not respond then FRPs will meet with workers outside of the factory.</li> <li>- The Accord believes that the work of the FRPs is valid and improving since Sifat Sharmin, the Accord Union Liaison officer, began. The Accord intends to make FRPs full-time Accord staff. Sifat is beginning to recruit for young professionals and graduates with a suitable human rights/development background for these roles.</li> <li>- Rob Wayss explains the background to the concept of the FRPs which came about as a result of SC discussions following concerns of potential panic amongst workers in the early inspections due to a lack of understanding of the process and what the inspections were about. Therefore it was agreed to hire some people to do direct outreach with workers from inspected factories to help clarify and avoid these situations.</li> <li>- Jenny Holdcroft requests a general communication to the brands to clarify the role of the FRPs to avoid further confusion and Melanie agrees that this could be added to the guidance on the role of lead brand.</li> </ul>		
<b>6</b>	<b>AOB</b>		

6.1	<p><b>Review Last Meeting Agreed Actions:</b></p> <ul style="list-style-type: none"> <li>- No outstanding actions</li> </ul>		
6.2	<p><b>AOB: Preparation stakeholder meetings 15<sup>th</sup> October</b></p> <p>Rob Wayss explains that all meetings were discussed and agreed to by the management committee. The SC agree attendees for each meeting.</p>		
6.3	<p><b>Confirm next meeting dates and locations</b></p> <p>Agreed brand caucus 2016 meeting dates:</p> <ul style="list-style-type: none"> <li>- January 28<sup>th</sup> and 29<sup>th</sup> (half-day); Amsterdam</li> <li>- July 1<sup>st</sup>; London</li> </ul> <p>SC company representatives confirm invitation for Rob Wayss and Brad Loewen to the 2016 caucus meetings.</p> <p>Agreed Steering Committee 2016 meeting dates:</p> <ul style="list-style-type: none"> <li>- January 25<sup>th</sup> &amp; 26<sup>th</sup>; Amsterdam</li> <li>- April w/c 25<sup>th</sup> (SC meetings; 27<sup>th</sup> and 28<sup>th</sup>, stakeholder meetings on 26<sup>th</sup>); Dhaka</li> <li>- June 28<sup>th</sup> and 29<sup>th</sup>; London</li> <li>- Oct w/c 17<sup>th</sup> (SC meetings; 18<sup>th</sup> &amp; 19<sup>th</sup>, stakeholder meetings on 20<sup>th</sup>); Dhaka</li> </ul> <p><b>Action:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to send placeholder to the brands caucus for the 2016 caucus meetings.</b></li> </ul>	Secretariat	19/10/15
6.4	<p><b>Roadmap towards 2018 and beyond; capacity building and handover:</b></p> <p>Dan Rees explains that a number of the SC members would like to start discussions on the Accord post-2018</p> <ul style="list-style-type: none"> <li>- Christy Hoffman asks the SC not to define the discussion with what does the Accord 'want to leave behind; and not start discussions from the premise that the Accord ends in 2018.</li> <li>- Jenny Holdcroft believes that there will have to be a re-negotiation of the Accord in the event that the work of the Accord is not completed.</li> <li>- Jenny Holdcroft asks Rob Wayss and Brad Loewen for some predictions of the status of the Accord in 2018. The SC agreed different scenarios would be useful. Even if remediation is completed in 2018 there will still be a question of what position the government will be in to ensure sustained safety levels.</li> </ul> <p><b>Actions:</b></p> <ul style="list-style-type: none"> <li>- <b>Secretariat to coordinate a meeting for the existing working group on roadmap to 2018 (Roger Hubert, Philip Chamberlain, Jenny Holdcroft and Christy Hoffman). The objective of this working group is to prepare a joint proposal for the SCs consideration at the next quarterly meeting.</b></li> <li>- <b>SC labour representatives and SC company representative to each bring a proposal to the working group as a starting point for a joint proposal.</b></li> </ul>	Secretariat Roadmap WG	18/1/16

6.5	<p><b>Power of Attorney for Rob Wayss, Executive Director</b></p> <ul style="list-style-type: none"> <li>- Melanie Steiner and Alke Boessiger agree to sign official confirmation of Rob Wayss' power of attorney to act as the authorized person to deal with all correspondence with the Board of Investment in Bangladesh.</li> </ul>		
	<p>The Chair officially closes the meeting and thanks all present</p>		