

Minutes of Meeting

RSC Emergency BoD

27 October 2020: 18:30 – 20:30

Attendees:

	Members	Role	Organisation	Attended / Apologies
Industry Representatives	Rubana Huq	Director	BGMEA	Yes
	Shafiul Islam Mohiuddin	Director, Co-Chair	BGMEA	Yes
	Miran Ali	Director	BGMEA	Yes
	Sharif Zahir	Director	BGMEA	Yes
	Faruque Hassan	Director	BGMEA	Yes
	Mohammad Hatem	Director	BKMEA	Yes
Brand Representatives	Roger Hubert	Director, Co-Chair	H&M	Yes
	Bob Chant	Director	Loblaw	Yes
	Michael Bride	Director	PVH	Yes
	Indalecio Perez	Director	Inditex	Yes
	Bernardo Cruza	Director	El Corte Ingles	Yes
	Jochen Juetten-Overmeyer	Director	Otto Group	Yes
Trade Union Representatives	Christina Hajagos-Clausen	Director	IndustriALL Global Union	Yes
	Amirul Haque Amin	Director, Co-Chair	National Garment Workers Federation (NGWF)	No
	Kamrul Anam	Director	Bangladesh Textile and Garments Workers League (BTGWL)	Yes
	Babul Akter	Director	Bangladesh Garment and Industrial Workers Federation (BGIWF)	Yes
	China Rahman	Director	Federation of Garment Workers	Yes
	Alke Boessiger	Director	UNI Global Union	NO
Neutral Conveners	Dan Rees	Convener	ILO	Yes
MD and aCSO	Iqbal M Hussain	MD and aCSO	RSC	Yes
Translator	Md Erfanul Haq	Translator	RSC	Yes
HoIT	Robel Haque Rana	IT support	RSC	Yes

ITEMS	DESCRIPTIONS	LEAD	REMARKS
1	<p>Approval of the current meeting Agenda/ Previous meeting minutes</p> <p>The agenda was approved subject to one change with respect to the approval process for the 2021 budget.</p> <p>As the budget had not been circulated prior to the meeting, Rubana and Mohammad Hatem requested that the BoD approve the budget at a future meeting to allow sufficient time for directors to fully consider.</p> <p>The MD confirmed that an outline budget has been prepared for today's meeting.</p>	Dan Rees (DR)	<p>Open meeting</p> <p>Dan suggested the MD to present the budget and make arrangement for formal approval.</p> <p>Previous meeting minutes has been approved by all three stakeholders</p>
2	Governance		
A	Establishment of the Advisory Council		
	<p>The MD proposed to create a small group who will develop a Terms of Reference (ToR) and draft list of invitees for the Advisory Council. Roger and Mohiuddin supported MD's proposition.</p> <p>Kamrul included that the formation and size of the advisory council need to be discussed with the three stakeholder co-chairs of RSC BoDs.</p>		<p>MD will take up discussions at Executive Committee to form a small group and present to Co-chairs. A proposal will be developed and presented at future BoD meeting.</p>
B	Establishment of Government Coordination Council (GCC)		
	<p>MD proposed the same process for the Advisory Council to establish the GCC.</p>		<p>MD will take up discussions at Executive Committee to form a small group and present to Co-chairs. A proposal will be developed and presented at future BoD meeting</p>
C	Appointment of 2 nd External Neutral Convener (NC)		
	<p>Dan informed that the CV's of potential candidates has not been circulated prior to the BoDs meeting.</p> <p>Rubana noted that the Industry representatives have already proposed two candidates with equal importance, Nazneen Ahmed from BIDA and Mr Kamran T. Rahman.</p> <p>Kamrul informed that in the previous meeting it was agreed that a Bangladeshi female NC will be selected, and worker</p>		<p>MD, Rubana and Kamrul will have a meeting with Nazneen Ahmed to discuss her role.</p>

representatives have already sent a CV of Ms. Fauzia and Nazneen Ahmed.

Roger informed that the brands have already reviewed the CV's and would recommend Nazneen agreed on one candidate.

Shafiul asked whether the Memorandum of Association (MoM) and Articles of Association (AoA) from here referred to Articles allow the BoD to select three neutral conveners to deal with an emergency in future.

Dan clarified that his understanding is that the Articles empower the BoDs to appoint two NC's and in the previous meeting it was agreed that the second NC will be a Bangladeshi woman. Jochen confirmed that the Articles allow only two NC and

Kamrul further informed that amendments of the Articles would be required to select three NCs.

All parties unanimously approved Nazneen Ahmed as 2nd NC subject to her acceptance and full understanding of the demands of the role The RSC MD, Rubana and Kamrul will meet with Nazneen Ahmed for this purpose

- D** Human Resource Review Committee (HRRC) update, appointment of Head of Workplace (HoWP) and Chief Safety Officer (CSO)

Christina informed that the Kirstine Drew (Kirsty) has joined as HoWP and is seconded to the RSC from the Accord Foundation. She is not in Bangladesh at this time and operates from Europe.

Update on CSO recruitment

Christina informed the BoD the CSO recruitment has been initiated and recruitment agencies has been notified. The labour representatives requested the BoD to allocate more funding for the CSO position.

Michael indicated the brands support for this proposal. Roger asked for a detailed proposal from HRRC that indicates the exact additional resources for the recruitment of New CSO and urged that RSC only use those recruitment agency functions really needed in order to keep additional costs down.

Sharif suggested to recruit someone local with experience and aggressive recruitment might compromise quality.

Proposals from Industry

Rubana made two proposals.

1. Appoint someone locally who would be a counterpart to Kirsty. Since HoWP is intended to be Dhaka based and Kirsty is working from abroad (for an undefined time), this proposal will strengthen capacity in the RSC office.

2. Change in complaints protocol that immediately notifies the affiliated Brands about the complaints and often creates panic among supplier factories. Factories should be given 5 working days for local investigation or at least a meeting with RSC before notifying the brand. Rubana added that no one knowingly violates the law and transparency and credibility as an industry has been our priority.

HoWP – Local Capacity

MD noted that the Head of Safety Training programme and doesn't report to HoWP.

The BoD considered this proposal at length, noting the importance of building the capacity of the RSC complaints department and the important role the HoWP plays. The BoD requested that the Human Resources Committee further consider how to best to achieve this including examining the proposal to appoint a counterpart to HoWP.

And agreed to strengthen the capacity of the RSC complaints department by appointing a local counterpart for HoWP, to be picked up at HRRC reviews.

Complaints Protocol

The BoD discussed this proposal and aired some of the considerations for and against amending the protocol. Industry representatives stressed the unnecessary disruption that communications about complaints can cause suppliers, trade union representatives stressed the importance of a robust and credible process for workers and brand representatives stressed the importance of transparency in the grievance handling process.

The BoD agreed to consider a written proposal from the Industry group to be submitted to the Board allowing due time for each Co-Chair to consult within their group.

MD and Acting CSO

Sharif noted that until a suitable candidate is found to fill the Chief Safety Officer role, Iqbal Hussain will be the acting CSO. MD confirmed his understanding and responsibilities and confirmed he has the technical knowledge to carry out the role until such a time a CSO is appointed.

Sharif noted that the efficiency of RSC has a direct implication on the Industry. Sharif asked whether the newly appointed MD has the authority to evaluate RSC employees. He added that there should be a mechanism to evaluate the performance of the existing employees.

Miran supported Sharif's position that the RSC MD should be empowered to review the performance of RSC employees and provide a formal report to the Executive committee.

Roger agrees for MD to review the team performance.

Cristina proposed that the MD present his plans to evaluate performance of staff within the RSC to the HRRC.

Rubana stated that the BoDs are trusting the MD for running smooth operation, and should put faith in him regarding the staff performance

	<p>MD will discuss with the HRRC to advance the CSO recruitment process efficiently with a bit more resource and provide an update to the BoDs.</p> <p>Dan summarised the outcomes of the conversation as follows:</p> <ol style="list-style-type: none"> 1. The HRRC will develop a proposal for resourcing the recruitment of the CSO 2. The HRRC will agree the measures to strengthen the capacity of the complaints department and appoint a counterpart to the HOWP. 3. The Industry Group will to put forward a proposal to the BoD for a change of to the complaints protocol for complaints with respect to notification of brands and manufacturers. 		
3	RSC 2020-21 Budget	Roger Hubert (RH) and Iqbal M Hussain (IMH)	Update
	<p>Roger informed that in 2019-20 fiscal year Accord’s budget was \$6.8 million. \$6.5 million has been taken as a base.</p> <p>MD informed that starting at \$6.5 the one-time expenses has been deducted from the budget.</p> <p>New funding available for RSC 2020-21 is \$6.2 million. MD noted that the RSC wishes to cover Environmental Sustainability (ES) and proposed a budget for Environmental Sustainability Manager, assistant, and some consultant. The RSC 2020-21 budget is inclusive of base cost, must haves and nice to haves is \$6.3m (ES being a nice to have).</p> <p>Cristina indicated a legal obligation based on the Cooperation Agreement and asked whether funds could be used for environmental sustainability purposes.</p> <p>Jochen confirmed that the Accord funds can only be used in the sections that has been agreed on the Accord Agreement. Jochen acknowledged the importance of Environmental Sustainability and suggested to find additional funding.</p> <p>Miran clarified that the 2020-21 budget for the RSC is routed through Accord and we have a commitment for that funding. The Articles of RSC specifically includes Labour and Environment. Action on Sustainability might be deferred for the time being.</p>		
4	Remediation Update	Iqbal M Hussain (IMH)	Update
	<p>MD introduced himself and noted it is great to be here, an honour and privilege, to have an opportunity to add value to the work done by Accord and to carry on to deliver on the promise by the RSC. MD went on to say, the RSC has a vision is to be ‘a world class workplace safety programme, enabling sustainable business and developing the supply chain’.</p> <p>MD will circulate the remediation updates and respond to the questions that people have. MD will also develop a regular reporting framework</p>		

MD informed that although the COVID-19 and work from home has disrupted its pace the RSC has always been committed to improve its efficiency through providing service-oriented solutions. for regular BoD meetings.

Among the factories that completed 100% initial findings, to date only 20% received recognition letter. In September, 308 inspections have been conducted in 127 factories. Out of these 127 factories, 61 has been labelled as 100% complete. 5 factories have received recommendation for recognition certificate, this is woefully short. The inspection cycle is currently 3-4 months. MD noted that his focus is to shorten the time so that the factories can soon join at the RSC family. It's a simple case of risk management, better to be a RSC factory under review and with mitigation in place than out of the RSC scope/programme.

To find a solution to the very poor conversion of 100% initial findings to recommendation for recognition letter, the ICU-Deep Dive pilot programme has been launched after discussion at Executive Committee. The strategy is to go through all 56 factories from September that didn't received recommendation for recognition letter, review CAP, expand responses on CAP and eventually improve communication with the factories to help them understand the RSC requirements. This pilot project's data for September, October and November will be provided to the BoDs meeting. By December, the RSC will have sufficient data from the pilot to see where successes where made, trends and apply lessons learnt so that the ICU-Deep Dive can become a permanent method to create efficacy in the RSC's operations.

MD also added that 85% of Initial CAP finding got corrected till September 2020 and 74% of New CAP findings got corrected in the same period. Total initial progress rate has risen from 92.5% to 92.8% in September 2020. 1241 factories are in between 91%-100% corrected. Out of these 1241 factories, 383 have claimed to be 100% corrected. Final verification inspection will be conducted in these 383 factories. Should these factories fail to achieve 100% correction, they will go to ICU-Deep dive unit.

In September 55 DEA has been submitted. But the review percentage isn't satisfactory. All 15 reviewers have been provided with access to ETABs Software which should increase productivity. Another licencing issue with STAAD Pro will be solved ASAP.

Presentation ended due to time constraints

5	Sustainability (finance) Committee	Rubana Huq (RH)	Discussion
Will be discussed on the next meeting			
6	Boiler Safety (pilot) Programme Update	Iqbal Hussain (IMH)	M Update

Will be discussed on the next meeting

7	AOB	
	Miran informed that Clean cloth campaign have issued a press release which casts aspersion on the role of RSC. Miran suggested that the board should approve the MD to issue a comment on this.	Miran will circulate the link of the press release to all Board members.
	Everyone approved Miran's request.	