

IMPLEMENTATION TEAM REPORT

I. Governance and Staffing

Over the last 45 days the Accord signatories have developed and agreed upon the full Governance Structure and have elected their respective representatives. The first initial meeting of the Steering Committee, chaired by the International Labor Organization (ILO), was held at the ILO Geneva on June 28th.

1. *Entity*. The Accord will organize itself as a Dutch Foundation, with two offices. The office in the Netherlands will be tasked with managing the Foundation and be responsible for the relationships with all international and local stakeholders. The program office in Dhaka will be responsible for all operations on the ground. Local counsels from both brands and labor side have been engaged to form the foundation and office, and provide the relevant information for the Bangladeshi applications for name clearance, incorporation, trade license, tax ID, VAT registration, permission from the Board of Investment, permission from the Bangladesh bank and registration with the Joint Stock Companies and Firm.
2. *Steering Committee (SC)*. The SC has been elected and is composed of Alke Boessiger of UNI, Monika Kemperle of IndustriALL, a representative of the Bangladeshi signatory unions, Aleix Gonzalez of Inditex, Melanie Steiner of PVH and Andy York of NBrown Group. Dan Rees of the ILO will serve as the non-voting chair person of the SC. Each SC member will appoint an alternate to attend all meetings and vote in the event that the SC member to whom he or she serves as alternate is not available. The SC is the executive decision-making body of the Foundation. It exercises all powers of the Foundation, including but not limited to:
 - selection, contracting, compensation and review of the performance of the Chief Safety Inspector, Executive Director and a Training Coordinator;
 - oversight and approval of the Budget;
 - oversight of financial reporting and hiring of auditors;
 - oversight and approval of inspection program;
 - dispute resolution between the parties to and arising under the terms of the Accord;
 - such other functions as are provided in the Accord; and
 - other such management duties as may be required.

The ILO Chair serves in a non-voting advisory capacity and is responsible for convening and chairing meetings of the SC, and encouraging joint working between Signatories and parties to the National Action Plan towards achieving the goal of the Accord. The SC will meet at least quarterly.

3. *Advisory Board (AB)*. The Advisory Board plays a crucial role in the governance structure. It will ensure that all stakeholders can engage in constructive dialogue with each other and provide feedback and input into the SC. This will enhance the quality, efficiency, credibility and synergy of the Foundation. Stakeholders shall be invited to participate in the AB as follows:

- Four representatives appointed by the Bangladeshi government;
- One representative each from BGMEA and BKMEA;
- Four brand and retailer representatives;
- Four supplier representatives;
- Four Bangladeshi trade union representatives
- Two Bangladeshi NGO representatives; and
- Two international NGO representatives.

The AB will meet at least quarterly. The AB shall produce a report within 10 days following each meeting with input to the SC. The AB shall be chaired by an ILO representative.

4. *Terms of reference were agreed for both the Chief Safety Inspector (SI) and for the Executive Director (ED)* The Chief Safety Inspector, reporting to the Steering Committee, will recruit, train, develop, deploy and supervise an inspectorate capable of evaluating fire and electrical safety, structural safety, and worker safety in Bangladeshi garment factories that supply the Brands. The Executive Director, also reporting to the SC, will manage the foundation, promoting the vision, strategically leading the work, directing the communication/fundraising and being primarily responsible for the relationships with international institutions, governments and partners, including relationships in Bangladesh. The job descriptions for both posts have been agreed, and the search has started using a combination of headhunters and specialized networks. A hiring panel has been appointed to pre-screen candidates, with the goal of presenting a short-list of candidates to the SC ASAP. Recruitment of the Training Coordinator and Inspectors will start shortly after this process is completed.

5. *Interim staffing:* A Secretariat comprised of one company member and two union members successfully organized and administered the work of the Implementation Team (IT) during the Implementation plan design period. An interim manager will be hired to oversee the first 4 months of the Accord implementation, and will start ASAP. One company and one union member agreed to stay on and continue serving in the Secretariat capacity until the Interim Manager has been appointed.

II. Data Collection

All 70 signatory brands have been requested to send in the following data for each of their factories by July the 15th: name (English and Bangla); full physical and mailing address(es); business email; phone number; number of separate buildings belonging to the factory; number of stories of each building and which floor(s) the factory occupies; whether the factory is in a multi-purpose building; whether the factory is in a multi-factory building; and the number of workers. Most of the data points agreed have never been comprehensively collected or shared before, and once matched this will provide the Accord inspection teams with the information needed to work efficiently and effectively.

1. *Data hosting:* The Fair Factories Clearinghouse (FFC), New York will assist in collecting, organizing and storing data collected from the companies, based on a confidentiality agreement between the companies and the FFC, as well as between the companies and the individuals working with the data on behalf of the Accord (i.e., SI, SC, ED etc). The aggregated supplier list, including key data points such as name and physical address will be made public. (in English and Bangla)
2. *Second phase data collection:* A tentative list of data points for the second phase of data collection, where more extensive information will be obtained, is presently under discussion.

III. Factory Assessments

The Accord has started to review existing standards, engage experts and liaise with the Bangladeshi government to design and structure a program including standards, rating systems, review of existing inspection reports, forms of inspection report and protocols for renovation and other remediation actions necessary.

1. A group including experts from IndustriALL and UNI visited Dhaka during the third week of May. A delegation consisting of Phil Chamberlain of C&A, Aleix Gonzalez of Inditex, Christy Hoffman of UNI and Monika Kemperle of IndustriAll shall visit Bangladesh in the 4th week of July and meet with all the relevant regulatory bodies and governmental institutions, as well as other key stakeholder groups, to (i) personally introduce the Accord and its planned program; (ii) establish working relationships and communications with key organizations; (iii) confirm protocols for arrangements on communications; and (iv) learn about national programs that will be of relevance to the Accord. The ILO office in Dhaka will facilitate the visit.
2. Accord Signatories have agreed to initiate an Interim Inspection Program to speed up the assessment of Bangladesh textile industry factories. Initial inspections will be carried out at every covered factory at the latest within a 9 month period, and plans for renovations and repairs put in place where necessary. International teams of fire and building safety engineers, working in conjunction with Bangladeshi experts, will carry out the inspections and develop action plans, focusing on those issues that pose grave and immediate risks to workers, including inadequate means of emergency egress (i.e., fire exits) and fundamental flaws that could lead to a partial or total structural failure of a factory building. The information gathered through the initial inspections will also be used to prioritize factories for more in-depth analysis and additional remedial measures, covering a broader range of issues and involving more comprehensive renovations, repairs and retrofitting.
3. In this Interim Period, companies or workers may identify factory buildings that pose a serious security risk and which require immediate remedial action. The Accord developed the below protocol for handling these complaints until the Accord Bangladesh office is operational and staffed, when the protocol will be adapted where necessary.
 - a. Notification upon discovery of an unsafe factory. Upon discovery of an unsafe factory, the Secretariat will be alerted as soon as possible. The Secretariat will communicate to all signatories, including witness signatories. The signatory brands that are in the factory must immediately notify the Secretariat. The Secretariat will aggregate responses and send a message to all brand signatories in the factories, union signatories and witness signatories to share information and determine an action plan.

- b. Notification of workers. The Secretariat will coordinate a joint group comprised of an equal number of brand signatories and trade union representatives to work together on-site and to monitor the situation. The joint group will ensure that workers are informed in a complete and timely manner in order to reassure workers that all their rights are respected. Such communication should include an overview of remediation plans with an estimated timeline. If the factory is closed or partially closed, communication will also include arrangements for updating workers while the factory is closed and reassurance that workers will be paid any outstanding wages and amounts due while the factory is closed.
- c. Notification to non-signatory companies. Brand signatories will reach out to non-signatory brands in the unsafe factories per their current protocols and work to engage such non-signatory companies in their remediation efforts. Union and witness signatories will also be informed of the situation.
- d. Notification to local relevant authorities. The SC identified a group of Bangladeshi authorities that need to be informed immediately when it becomes apparent that the factory is unsafe. The Secretariat will coordinate from among the joint working group telephone calls to relevant authorities, as well as sending of official letters (scanned copies immediately via email, hard copies to be delivered ASAP). All impacted signatories should be in copy on the letters to ensure consistent information.

IV. Budget

There are two categories of costs for signatory companies under the Accord: administration and safety improvements.

- Administration: Costs associated with the administration of inspections, training and other program operations, the formula for which will be set up based, amongst others, on annual Bangladesh volume on a sliding scale relative to the annual volume of other signatories.

The SC developed and adopted a draft budget for the administration costs that includes overhead costs such as salaries, office space, event costs, travel, supplies, equipment, safety, information technology, advisor support, inspections and training. Finalizing the

budget will depend upon data collection, after which the SC will better understand the number of factories they must consider.

- Safety Improvements. Brand signatories are responsible to ensure that sufficient funds are available to pay for renovations and other safety improvements as directed by the Chief Safety Inspector. Such funds may be generated through negotiated commercial terms, joint investment, direct payment for improvements, government and other donor support or any combination of these mechanisms.