



## Minutes of the Meeting of the Governance Board Hong Kong, January 12-13, 2012

**Location:** Grand Hyatt Hotel, Hong Kong

### **Members Present**

Alan G. Hassenfeld, Co-Chair  
Maria Livanos Cattai, Co-Chair  
Gary Hutchens  
George Irwin  
Lisa Klein  
Alan E. Munn  
William S. Reese  
Arnie Rubin  
Paul Rice  
Shi Xiaouguang  
Pär Stenbäck  
Kenneth Ting  
Auret Van Heerden  
T.S. Wong

### Observers

Carter Keithley  
May Liang  
Marty Cahill (TAC)  
Kathleen Shaver (TAC)

### Ex Officio

Christian Ewert

### Operations

Rosie Zhang

### Secretariat

Harriet Mouchly-Weiss  
Frank W. Clarke

(TAC = Technical Advisory Council)

### **Day One – January 12, 2012**

Board Co-Chair Maria Cattai called the meeting to order at 08:30 AM.

1. The meeting began with an opening panel discussion on the environment in which the ICP is operating today. Panelists were Jeffrey Lam (Legislative Council of Hong Kong), Dimitri Kessler (Ethical Trading Initiative) and David Horlock (ITS), with Maria Cattai as moderator.

At 10:30 AM, there was a brief discussion of the panel. It was agreed that the ICP needed to take better control of the issues agenda and strengthen its communications.

2. At 10:45 AM the GB opened formally. The minutes of the last full board meeting on June 7, 2011 in Santa Monica were approved. The list of action items was reviewed and it was noted that nearly all the items had been completed or were in process.

### **Governance and Nomination Committee Report (Chair, Pär Stenbäck)**

3. With regard to GB membership, the committee:



- a. Noted the resignation of Geoff Massingberd
  - b. Nominated Shi Xiaoguang, of Goodbaby Child Products, to be a member in the Active Industry category.
  - c. Nominated Lisa Klein, of Mattel, to be a member in the Active Industry category.
  - d. Decided to move Gary Hutchens from the “ICTI Immediate Past President” category to the Industry Statesman category for the remainder of his term.
  - e. Nominated Arnie Rubin for a new, 3-year term, beginning in September 2012, when his term as President of ICTI ends, at which point he will move from the “ICTI President” category to the “ICTI Immediate Past President” category.
  - f. Nominated the new ICTI President, when he or she is elected, to a 3-year term in the “ICTI President” category, effective when he or she takes office.
4. All four nominations were moved, seconded and a vote was held. The motions carried.

#### **Education, Training and Grant Committee (Chair, Bill Reese)**

5. Bill Reese reported that the Committee is working on development of programs that can be used as the basis to raise funds. **Next Step:** The GB Co-Chair requested that an executive summary (2 pages) of all training done over the last five years be prepared by the end of February and submitted to the GB.

#### **Finance and Audit Committee (Chair, Alan Munn)**

6. Alan Munn reviewed 2011 results through October, 2011, and the year-end forecast for 2011, noting that the financial accounts were prepared in a timely and accurate manner.
7. Mr. Munn next reviewed the preliminary 2012 budget, noting the potential cost saving if the May Governance Board meeting is converted to an Executive Committee meeting. The change was approved. The 2012 budget was approved as presented, subject to any adjustments required by additional GB decisions during the balance of the meeting.
8. **Next Step:** That the final 2011 results and 2012 budget be finished and circulated to the GB by mid-March.

#### **President’s Report (Christian Ewert)**

9. Christian Ewert outlined the highlights of 2011 activities, comparing them with the goals established a year ago. He noted progress in the areas of working hours, suspension/probation, stakeholder engagement and communication,



but still with room for improvement.

10. Global Social Compliance Program (GSCP) Equivalence Process. Christian Ewert advised that the ICP is going through the process of comparing its program with GSCP reference tools and will come back to the Technical Advisory Council and then the Governance Board with an analysis, indicating the changes ICP would have to make to be in harmony with its standards and requirements.
11. Revision of the Working Hours Policy. Christian Ewert outlined the revisions, as recommended by the TAC and Operations, for which GB approval is sought.
  - a. The GB decided that: 1) It must be made very clear that all overtime is voluntary. 2) The time to move from Class B to Class A must remain at 12 months. 3) Under exceptional business circumstances, factories may work unlimited overtime for no more than 3 weeks annually. 4) It was also agreed that in future ICP will show the seal category in the listing on the website once the new database solution has gone live.
  - b. **Next Step:** Policy document to be revised to accommodate the GB decisions and posted on the website.
12. Definitions of Probation, Termination and Suspension. A revised set of definitions was presented to the Co-Chair and was approved for circulation.  
**Next Step:** Post on website.
13. Outreach and Communications. Mr. Ewert provided an update on outreach to stakeholders and Mrs. Weiss outlined communications activities undertaken and planned. There was considerable discussion, resulting in the following suggestions:
  - a. There should be a stronger outreach to factories during Q2, including to offer the ICP website bi-lingual (Chinese).
  - b. Improve the English-language website to improve navigation, making it more intuitive; also make it more interactive, including a way to ask questions.
  - c. Consider using tracking research to measure improvement in communications and image.
  - d. Consider using booths at trade shows
  - e. **Next Steps:** 1) Adopt the current communications plan; 2) Look at adding in the elements discussed above;

## Day Two – January 13, 2012

Board Co-Chair Maria Cattai called the meeting to order at 08:30 AM.



14. Living Wage: The living wage paper provided in the board book was discussed. **Next Step:** Christian Ewert to check with the three NGO members of the GB, get any additional best practices information and provide a report to the GB.

15. Next Meeting Dates:

- a. A meeting of the Executive Committee will be held at Runnymede, near London, on May 14, 2012, from 9:00 AM to 5:00 PM. There will be a reception with the ICTI AGM meeting attendees that evening.
- b. The next full GB meeting will be held January 9-11, 2013 in Hong Kong or, if seems desirable, in Beijing.

16. Meetings Policy:

- a. There will be one full GB meeting annually, in January, in Hong Kong or China.
- b. During 2012, there will be two Executive Sessions, with the first at Runnymede in May and the second at the end of September or early October on the East coast of the USA or in Central Europe.

17. The Governance Board went into Executive Session at 12:00 PM.

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