



2023 SLCP Strategic Plan

VISION:

Converged Assessment.
Collaborative Action.
Improved Working Conditions.

MISSION:

To implement a **Converged Assessment Framework** that supports stakeholders' efforts to improve working conditions in global supply chains.

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NOTE: This version of the 2023 Plan is the Council version. The Secretariat has a more elaborate internal version which includes more details KPIs and activities for each key objective. Full version available by contacting Tom: tom@slconvergence.org



2023 Strategy – Introduction and Context

Section 1

Vision

**Converged Assessment. Collaborative Action.
Improved Working Conditions.**

Mission

Implement a Converged Assessment Framework that supports stakeholders' efforts to improve working conditions in global supply chains

Industry benefits

Eliminate audit fatigue and duplication

Redirect resources to improvement actions

Greater comparability of social & labor data

SLCP Specific Aims

Industry adoption

Resources unlocked

Data access & comparability

Financial resilience

Our Goals

25,000 verified assessments

\$130m for improvement actions

Industry's #1 source of verified S&L data

Self-sustaining through earned income

Our Focus Areas

1. CAF

2. Ops

3. VO

4. Tech

5. Comms & SHE

6. Data Insights

7. Int. Org

2023 Strategic Planning Progress

Outline of the timeline and process for planning the 2023 strategy

June



Mid-term Review

- Excel Leading KPIs (discuss in session)
- Excel overview All KPIs (no session, own homework)
- PPT Key take aways Mid--Term and 2023 Outlook -> what differently & additional
- MT sessions

Milestones:

Mid June: Leading KPIs update to Council

End June: Overview (excel) all KPIs

Early July: Key Take aways and What looks differently & additional (ppt)

July/ Aug



Analysis Objectives & KPIS

- Analysis document (Tom) followed by Technical session in MT

Milestones

Mid Aug: direction for formulation 2023 objectives & KPIS

July



Risk Registry Update

- Desktop review/refresh 2021 file (excel) and Survey
- Snr Managers to liase with their teams for input
- MT session followed by RR expansion (part mitigations)

Milestones

Early Aug: updated Risk Assessment

July



Adoption Barriers Update

- Review/refresh 2021 file (word)
- Snr Managers to liase with their teams for input

Milestones

Early Aug: updated Adoption Barriers

Aug/Sep



2023 High level priorities

- 4 Strat Aims – priorities (see 2022 plan template in ppt)
- Engagement Full Team, validation Council

Milestones

Mid Sept: Full Team meeting : 2023 priorities validated in Full Team meeting

End Sept: Council: 2023 priorities validated in Council

Oct/Nov



2023 Plans

- 2023 plans development, same template as 2022 (ppt).
- Utilise 'best practice' objective/KPIs as per July/Aug analysis.
- Multiple MT sessions to discuss drafts and updates

Milestones/Deadlines

- End Nov: Final draft plan ready to send to Council
- Approval: CC29 (Dec 6-7th)

2022 Operational Progress Bird Eye's View

21 November 2022

6,210

Verified Assessments

77% of 2022 Target (8,000)

88% of 2022 Target (7,000)

62

Brands and Standard Holders
accepting SLCP Verified Data
(Others in pipeline)

Deliverables/Results:

- Launching **CAF V1.5 (Nov 2022)**
- (Q2) Training sessions (in key languages):
4.7K+ attendees
- **Help-desk & E-learning** updates (Oct & Nov 2022)
- **VOO evaluation** (Q3)
- Learning & Evaluation and **Impact Report** (Q3)
- **Comms & outreach:** Presentations, case studies, release new comm materials, blogs/position papers
- **Data quality & integrity program launched** (including credibility index)
- **Team growth** (20 persons)

In progress:

- **Full Virtual Verification Protocol.**
Expected launch November 2022
- **Compatibility MSI/Standard Holders** (delayed)
- **Legal registration** as separate entity (planned for 2023)
- Recruiting additional **(Passive) Accredited Hosts** (delayed)
- **General assembly** (14 December)

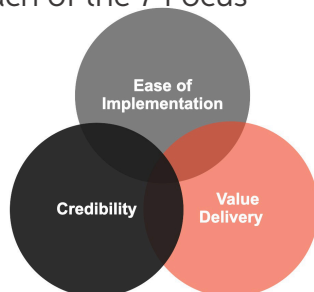
2022 Key risks

Risk Revision Process:

- Updated the top 10 risks for 2022 based on most recent Risk Registry survey results - August.
- Developed mitigation strategies and assessed their overall effectiveness - September
- Discussed with Finance & Risk Committee and consequently Council at CC28 - September

Findings:

- “Low Adoption” is the main over-arching risk affecting the work of all SLCP focus areas
- There are three sub-themes to address adoption barriers:
 - Ease of implementation,
 - Credibility,
 - Value Delivery.
- We have used this to develop a bottom-up risk assessment for 2022 for each of the 7 Focus Areas.



Ranking	Risk	Sub theme / topic	Probability	Impact	Total	Change from 2021
1	MSIs/ Standard Holders do not see themselves as compatible with the SLCP system (e.g. because too technically complicated, alignment is resource intensive, and/ or resistance as SLCP is seen as competition)	Limiting (future) scaled adoption	4,2	4	16,8	Re-phrased risk from previously
2	Quality SLCP verified assessment (VRF data) perceived as insufficient (not enough rigour/quality/integrity)	Reputation	3,6	4,6	16,56	6.4% increase
3	SAC will not support SLCP to establish and operate as their own legal entity	Suboptimal SAC / SLCP Relationship	3,8	4,3	16,34	New Risk
4	Number of SLCP approved VBs & Verifiers doesn't meet demand (e.g. due to strict ToU/indemnity + liability clauses + general availability)	Actual adoption (lower than planned)	4,2	3,8	15,96	7% increase
5	SLCP not able to expand to other sectors (other sectors not interested in SLCP; SLCP not compatible with other sectors; costs out way benefits, efforts reduce capacity elsewhere)	Limiting (future) scaled adoption	3,5	4,3	15,05	New Risk
6	Operationally (SAC performance as a hosting organization for legal/hr/finance, and service levels are hampering SLCP's operation)	Suboptimal SAC / SLCP Relationship	4,2	3,3	13,86	Re-phrased risk from previously
7	Actual adoption rates significantly lower than planned/nominated	Actual adoption (lower than planned)	3,6	3,4	12,24	15% decrease
8	Misinterpretation/ use of SLCP Data by SAC in e.g. FSLM impact publications.	Suboptimal SAC / SLCP Relationship	3,3	3,7	12,21	New Risk
9	Perception that SLCP adds costs/does not free up resources	Reputation	3,2	3,8	12,16	37.5% point increase
10	Independence of SLCP from SAC in the public domain is being questioned (Reputational risks when SLCP is perceived as heavily associated with SAC)	Suboptimal SAC / SLCP Relationship	3	3,8	11,4	Re-phrased risk from previously



2023 Strategy – High level goals and budget

Section 2

2023 Priority Themes – 4 Strategic Aims

1. Industry Adoption

- Expand SLCP adoption into **adjacent & new sectors** and **current supply chains** (e.g., SMEs, Tier 2)
- **Reduce complexity of CAF process and ensure quality of CAF system**, incl. Tech ecosystem partners: provide a seamless user experience and ensure ease of implementation
- Ensure **CAF relevance for key stakeholders** (e.g. signatories, ILO, standard holders and regulators) in the future through v1.6 launch preparation

Satisfied customers and partners, bringing the number of verified assessments to 11K+ in 2023.

2. Unlocking Resources

- Increase **SLCP acceptance to increase shares and drive the reduction of audit duplication**
- **Measure savings, demonstrate the redirection of resources** and reduce SLCP related costs
- **Develop and deepen partnerships** with organizations improving labor conditions and facilitating them to deploy effective remediation/capacity building programs.

Increased acceptance and net cost reduction, resulting in increased impact.

3. Data access & Comparability

- Ensure **quality and integrity of SLCP verified data**
- **Enhance ease of data access and facilitate data interpretation** with stakeholders
- Demonstrate **relevance of SLCP verified data** in the context of **supply chain policy & legislation** and for industry wide **trend analysis**: collaborate with partners and key stakeholders (e.g. ITC, ILO, academia and policy makers).

SLCP as the source of credible and actionable social & labor data.

4. Organization & Financial Resilience

- Ensure **effective multi-stakeholder governance and engagement**
- Extend the **Secretariat's operating processes, customer focus and financial health**
- Maintain **organization culture while growing the team and further professionalize** the organization
- **Prepare for legal independence.** Define next phase of the Program including new **5 year strategic plan**

Working towards mature customer focused organization and preparing for independence and next phase of the Program.

Focus projects 2023 - Leading KPIs

The strategic and operational priorities are reflected in the following

Focus projects	Draft Leading KPIs	Accountable Snr Manager
1. Preparing for independence	SLCP registered as independent Stichting in NL Operational plan 2024+ ready to implement	Steve + Janet
2. Develop next 5Y strategic plan	SLCP 5Y Strat Plan (2024-2028) finalized and supported by Signatories in vote	Janet
3. Reaching adoption targets <ul style="list-style-type: none"> • Enhancements Training & Support (overcoming adoption barriers) • Tech system improvements • Adjacent sectors (& start new sectors) • Additional Tiers current adopters • New (leading) adopters 	11K+ Verified Assessments done	Sharon
4. CAF v1.6 development	CAF v1.6 locked and ready to implement in 2024	Khadija
5. Expand SLCP in adjacent sectors (accessories, home textiles) and beyond (electronics)	SLCP in other sectors account for 35% Pilot done in new sector	Holly
6. Building out Quality & Integrity Program, increasing SLCP credibility score <i>(budget integrated under existing and ongoing VO activities)</i>	Credibility Survey Score: “I trust the data in an SLCP verified assessment” = 80% or higher agree and brands specifically 60%.	Susanne

Required/Projected Adoption for 2023

(November 2022)

	Base (11 K)	Stretch (13K)	Ambitious (15K)
Industry Summit (organic growth)	9,000	10,000	10,000
Industry Summit (accelerate tier 2 & 3)	500	750	1,000
Inditex (accelerate adoption process)	500	750	1,000
Signatory brands (beyond Industry Summit)	1,000	1,500	1,500
SAC members (not a signatory) - TBC	500	750	1000
Major brands/standard holder adoption, e.g. Amazon, Disney, amfori - TBC	N/A	500	750
Large manufacturers (nominate tier 2 & 3)	N/A	100	150
Accelerate adjacent sectors- TBC	N/A	50	100
Sector expansion electronics, distribution centers etc. - TBC	N/A	20	50
Other	N/A	N/A	N/A
Total Verified Assessments	11,500	14,420	15,550

SLCP Secretariat - Organization Chart 2023

November 2022

SLCP Secretariat

SLCP Executive Director

Program Coordinator

Senior Management Team

Ops Support,
Training, Roll-out
Team

Assessment &
Quality Team

Communications & Stakeholder
Engagement Team

Technology & Data Insights Team

Sr. Manager
Operations

Sr. Manager
Assessment &
Quality

Sr. Manager Communications &
Stakeholder Engagement

Sr. Manager
System Delivery &
Data Insights

Technology
Specialist
(Part Time)

Manager
Helpdesk

Manager
Assessment &
Quality

Manager
Business
Development

Manager
Stakeholder
Engagement

Manager
Policy

Coordinator
Focus Countries (4)

Associates (3)
CAF & VO

Coordinator
Communications

Coordinator
Technology & Data Insights

Coordinator
Training

Proposed expansion 2023

Principles:

- SLCP governance document -> Secretariat = Staff/Full team as whole
- 4 Levels: ED, Senior Managers, Managers, Coordinators & Associates. Scope for each level clarified in Competency Framework with clearly defined behaviors and responsibilities for each level
- Senior Managers and Managers, on payroll (except part time roles)
- Associates/Coordinators: mix part-timers and full timers (4-5 days/week). Where possible, payroll for full time staff.
- Reporting lines TBC.

2023 Budget

	SUMMARY ROLL-UP 2022			2023 Low adoption		2023 High adoption		2023 High adoption	
	Expenses/Revenues to date	Forecast end of year	2022 (Oct 2022)	Total 2023	Multi-plier	Total 2023	Multi-plier	Total 2023	Multi-plier
	Jan-Oct (M 1-10)	Nov-Dec (M 10-12)	Expected VRF	BASE VRF		STRETCHED TARGET VRF		AMBITIOUS TARGET VRF	
			7000	11000		13000		15000	
Expenses									
Salaries Secretariat & HR investments (staff on payroll US & NL), excluding BD	613.784	153.951	767.734	967.505	1,26	1.074.828	1,40	1.189.988	1,55
Governance /Council	32.594	16.500	49.094	56.500	1,15	57.931	1,18	63.822	1,30
Travel	18.773	9.000	27.773	78.742	2,84	97.207	3,50	102.761	3,70
Office and Admin	24.310	26.118	50.428	111.262	2,21	126.070	2,50	131.113	2,60
Roll-out Support Team & Help-desk	105.031	36.400	141.431	175.737	1,24	198.003	1,40	212.146	1,50
SHE & Comms: Support Team, Events & Marketing	3.437	11.000	14.437	54.603	3,78	72.186	5,00	72.186	5,00
CAF & VO: Support team and consultancy	81.625	33.192	114.817	180.831	1,57	195.189	1,70	206.671	1,80
Tech: Support team and consultancy			74.185	112.500	3,41	123.750	3,70	129.375	3,90
DI: Support team and consultancy	33.985	40.200		140.126		154.139		161.145	
Contribution to ITC for Gateway maintenance			0	0		25.000		50.000	
Verification Oversight (VOO costs)	484.504	216.000	700.504	877.014	1,25	980.706	1,40	1.036.746	1,48
Contingencies*	128.284	42.000	170.284	111.232	3%	136.227	3%	170.284	4%
<small>2022 & 2023 structural Tech and HR support moved to these specific budget lines out of Contingencies in 2023 budget</small>									
Additional Focus projects 2023									
1) Adoption push: BD role and Marketing, sector expansion -adjacent & new, other (Employees and consultants)				130.000		140.000		170.000	
2) CAF v1.6 development - implementation capacity				100.000		100.000		100.000	
3) Preparation independence (consultants (process and experts), registration, legal advice and comms)				220.000		220.000		220.000	
4) New 5 Y strat plan development (consultants)				80.000		80.000		80.000	
Indirect (SAC Overhead charges)	218.251	45.600	263.851	319.679	8%	362.376	8%	417.936	8%
Total Expenses	1.744.579	629.961	2.374.540	3.715.731	1,56	4.143.613	1,75	4.514.175	2,38
	<small>73% of EoY pms</small>								
Revenue									
Earned Income									
Verification - VB related (Upcharge, Verifier access fees, VB checks)	1.719.000	300.000	2.019.000	3.060.000	1,40	3.540.000	1,75	4.050.000	2,01
Accredited Host - Base & sharing/VRF-related fees	441.513	50.000	491.513	706.790	1,20	760.500	1,55	945.000	1,92
Sub total Earned income	2.160.513	350.000	2.510.513	3.766.790	101%	4.300.500	104%	4.995.000	111%
	<small>86% of EoY pms</small>								
Other Income									
Grants & Donations (secured)			0	0		0		0	
Grants(Secured-GIZ)	32.376	100.000	132.376	205.195	1,55	205.195	1,55	205.195	1,55
Donations (Not secured)	0	0	0	0		0		0	
Signatory Charter Fees	22.000	6.000	28.000	24.000	0,86	24.000	0,86	24.000	0,86
Total Revenues	2.214.890	456.000	2.670.889	3.995.985	1,50	4.529.695	1,70	5.224.195	1,96
Carry over previous year		203.949	203.949	400.298	1,96	400.298	1,96	400.298	1,96
Balance (to be carried forward/reserve)			500.298	680.552		786.380		1.110.318	
Simple profit	Simple profit		296.349	280.254	7%	386.082	9%	710.020	14%
Carry forward to next year	Carry forward to next year		400.298	380.552		286.380		510.318	
Reserve building	Reserve building		100.000	300.000		500.000		600.000	
Costs/VRF			USD 338	USD 338		USD 319		USD 301	
Costs/VRF excluding focus projects			USD 338	USD 290		USD 277		USD 263	
VOO costs/VRF			USD 100	USD 30		USD 75		USD 89	
Cash flow analysis: Core operating costs/month			USD 141.192	USD 188.107		USD 212.491		USD 230.368	
Total Reserve EoY			USD 100.000	USD 400.000		USD 600.000		USD 700.000	

Note: With the current knowledge and expectations, the 13K and 15K are unlikely and we'll have to focus on the base scenario of 11,000 verified assessments.

Principles

- Target VRFs (base (11K) and ambitious stretch figures (13K and 15K)
- Moving to monthly AH invoicing to try and reduce seasonality (VB invoicing monthly implemented in 2022)
- Create buffer to manage cashflow (particularly Q2), 3-4 months operating budget TBC
- Continuing to build solid financial position to support independence (additional reserve 400K TBC)



2023 Plans – Strategic Areas

Section 3

1. CAF
2. Operations
3. Verification Oversight
4. Technology
5. Comms & Stakeholder Engagement
6. Data Insights
7. Internal Organisation

2023 Strategy – AREA 1

Converged Assessment Framework (CAF)

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP is widely accepted because
 - Users obtain the data they need to inform supply chain decisions, and
 - Facilities see the value in using SLCP
- SLCP is recognized as an accelerator and solution provider for human rights due diligence
- There is growing awareness of and interest in SLCP beyond the apparel & footwear sector

What in 2022's approach can we leverage/continue in 2023?

- Ensure efficient and effective partnership with BW in development of CAF v1.6
- Increase engagement with academia and MSIs to drive data insights through CAF Tool and ensure Tool is relevant for human rights due diligence
- Take advantage of signatory interest in expansion into adjacent and new sectors by conducting targeted pilots to prove CAF applicability & inform future CAF enhancements (both CAF & CAF process)
- Continue to develop focus on worker engagement
- Build out standardized onboarding / engagement tools to facilitate acceptance of SLCP by MSIs and brands and streamline onboarding with new BDM & SHE Manager

What do we need to do additional/differently in 2023?

- Increase resources in the CAF/VO team for technical onboarding (all types of users, e.g., PAH, Brand Host, Standard Holders)
- Facilitate technical understanding of Tool data, in collaboration with AHs, to better inform data insights and stakeholder use of data

Key Objectives of CAF



1. Optimize and stabilize the Data Collection Tool in the medium term through launch

Leading KPI: Delivery of CAF documents for tech implementation and stakeholder understanding of forthcoming v1.6 changes/ impacts



2. Execute the groundwork needed for expanded use of the CAF beyond 2023

Leading KPI: Analysis of efficacy of and areas of improvement for worker engagement technology use in SLCP



3. CAF data: Increase technical understanding and ease CAF onboarding to drive data insights, value added services and enhanced adoption

Leading KPI: Development of standardized tools and processes to ease adoption of SLCP users

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 MSIs/ Standard Holders do not see themselves as compatible with the SLCP system (e.g., because too technically complicated, alignment is resource intensive, and/ or resistance as SLCP is seen as competition)	<ul style="list-style-type: none"> ➤ Work across MT to assess these issues and identify workable solutions ➤ Develop tools/ resources for easy onboarding of standard holders
	#2 SLCP not able to expand to other sectors (other sectors not interested in SLCP; SLCP not compatible with other sectors; costs out way benefits, efforts reduce capacity elsewhere)	<ul style="list-style-type: none"> ➤ Depending on uptake of SLCP and onboarding activity - may need to work with other organization as partner to onboarding brands/ MSIs/ new users of SLCP or hire new staff focused on technical onboarding ➤ Need to align CAF updates with onboarding of new sectors to ensure tool is relevant to that sector
Credibility	#1 Quality SLCP verified assessment (VRF data) perceived as insufficient (not enough rigor/quality/integrity)	<ul style="list-style-type: none"> ➤ Design of CAF and engagement with key signatories ➤ Worker voice included in SLCP process
Value addition	#1 Misinterpretation/ use of SLCP Data by partners	<ul style="list-style-type: none"> ➤ Position CAF team as resource for users to better understand how to use the data/ interpret the data ➤ If need is high, hire new staff designated for data interpretation or partner with organization who can assist

Addressing Other Key Risks

Theme	Risk	Mitigation strategy
v1.6 Timeline	#1 Delays in development of content put pressure on CAF team to still meet original timeline > too much workload in too short time	<ul style="list-style-type: none"> ➤ Ensure collaboration with BW on devt of timeline/ v1.6 planner; realistic planning ➤ Stay firm on deadlines/ cut offs; which may mean not all content changes can be accommodated
Stakeholder onboarding for SLCP acceptance	#1 Potential risk to be inundated with onboarding requests; all coming at same time (e.g., amfori, OEKO-TEX, Costco, Disney, etc.)	<ul style="list-style-type: none"> ➤ Need to already onboard additional technical help in Q1 2023 as standing resource

2023 Strategy – AREA 2

Operations

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- A strong base for further adoption of SLCP in the apparel and footwear industry (beyond tier 1) and adjacent sectors (home textiles, accessories). Diversification of Gateway facilities noticeable.
- A high-quality e-learning platform and knowledgeable training partners that are committed and have the tools to deliver SLCP training in different languages to facilities in the target group.
- Improve user experience related to known roadblocks as well as support options for major adopters.

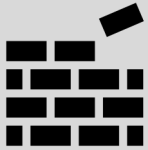
What in 2022's approach can we leverage/continue in 2023 (to reach long-term goal)?

- Commitment from major brands to adopting SLCP. Close relationship with both HQ as well as on a local level, e.g., can support as ambassadors and with case studies.
- More flexible e-learning platform in place. Training Bodies (TBs) and Trainers onboarded and trained. Strategic partners (ITC, BW, GiZ) with local networks.
- Up-to-date Helpdesk with 120+ FAQs in 4 languages. Macros with template answers for commonly asked questions on the Helpdesk. Knowledgeable, well-oiled and driven team.

What do we need to do additional/differently in 2023 (to reach the long-term goal)?

- Understand barriers for SLCP adoption for small/informal/beyond tier 1 facilities and in other sectors (home textile, accessories). Define target group and ensure CAF relevance for them.
- Reduce complexity through scalable translation options, ensuring that language is not a barrier.
- Customized approach and in-person meets with key stakeholders (IS brands HQ and local, manufacturers' associations, TBs).

Key Objectives of Operations



1. Solidify adoption (maintain commitment from major adopters and build on those commitments for expansion beyond Tier 1 and in adjacent sectors).
Leading KPI: 11,000 facilities complete the assessment process.



2. Offer range of training options (for different type of facilities, knowledge levels, in local languages, through diverse channels).
Leading KPI: Trainings delivered by TBs and SLCP are addressing the needs of SMEs and Tier-2 facilities.



3. Enhance support (incl. automation) and efficiency to allow for customer needs (implementing tech solutions for known user issues and freeing up team resources for customized support).
Leading KPI: Support requested resolved within 48 hours.

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Complexity inhibits manufacturer participation (esp. smaller size)	<ul style="list-style-type: none"> ➤ Research needs of small facilities ➤ Provide training and guidance materials customized to this target group
	#2 Number of SLCP approved VBs & Verifiers doesn't meet demand	<ul style="list-style-type: none"> ➤ Individual conversations with VBs alerting them to demand ➤ Ask brands to reach out to VB partners
Credibility	#1 SLCP verified assessment (VRF data) perceived as low quality	<ul style="list-style-type: none"> ➤ Highlight SLCP QA program and outcomes in brand & facility comms, and FAQs ➤ Highlight relevance of honest data; build trust between business partners
Value addition	#1 Perception that SLCP adds costs/does not free up resources	<ul style="list-style-type: none"> ➤ Use data/case studies on savings in facility comms/trainings ➤ Communicate Brands Acceptance List and how it's growing over time; invest in onboarding new brands
	#2 Actual adoption rates significantly lower than planned/nominated	<ul style="list-style-type: none"> ➤ Work with major brand adopters to engage their suppliers ➤ Targeted facility comms based on Gateway data on facility assessment status
	#3 SLCP not successful in expanding to adjacent/new sectors	<ul style="list-style-type: none"> ➤ Collect case studies of facilities in adjacent sectors that successfully completed SLCP ➤ Work with already engaged brands to convince others in the same sector

2023 Strategy – AREA 3

Verification Oversight

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP has a reputation as main source of credible and relevant social & labor data in the apparel and footwear sector and is strongly being considered as a solution by other sectors
- Credible means: high integrity and quality
- Relevant means: Verifier capable of providing data the user needs to inform remediation plans, scoring, etc.

What in 2022's approach can we leverage/continue in 2023?

- Increased stakeholder involvement in QA to gain even more efficiencies and insights previously not accessible to SLCP
- Increased focus on enhancing and measuring SLCP's credibility with help of Comms & SHE
- Continued focus on data insights to drive data quality and integrity - specifically predictive analytics

What do we need to do additional/differently in 2023?

- Increase the resource in the team to continuously check/ update the predictive analytics model
- Create regional fora with Verifier Bodies and other signatories to discuss pressing data integrity and quality issues, including incentivizing honest data
- With 2022 new hire, follow up on VO program enhancements, with special focus on gaining efficiencies and creating more QA data outputs

Verification Oversight Key Objectives



1. Facilitate acceptance of SLCP verification process and create more actionable data

Leading KPI: Enhanced collaboration and full alignment of SLCP with APSCA.



2. Continue long-term Sumerra partnership with focus on boosting efficiency and effectiveness of VO & QA activities

Leading KPI: Successful completion of predictive analytics project with plan on how to continue use of QA data insights/ machine learning in the future.



3. Further enhance credibility of VO & QA activities

Leading KPI: Launch of processes and Committee to address VOO investigations of unethical behavior/ practices.

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation Strategy
Ease of Implementation	Number of SLCP approved VBs & Verifiers doesn't meet demand (e.g. due to strict ToU/indemnity + liability clauses + general availability)	<ul style="list-style-type: none"> ➤ Support Comms and SHE on VB awareness when launching operations in a new country ➤ VOO constantly evaluates/ reviews VB and Verifier numbers according to operational needs and send out alerts/ comms to address gaps ➤ Number of VBs not an issue (ToU not an issue) - but launching in specific countries with low demand or finding Verifiers in countries that are known to lack Verifier availability is the problem; together with TAC VO to discuss launch of new approach to admitting VBs for "special" countries and giving short term exclusivity
Credibility	Quality SLCP verified assessment (VRF data) perceived as insufficient (not enough rigor/quality/integrity)	<ul style="list-style-type: none"> ➤ Work with partners in VO, such as APSCA, ILO, FWF to gather frontline adopters/ approval ➤ Communication campaign ➤ Enforcement on quality of VBs and verifiers ➤ Transparency on protocols on systems/ outcomes ➤ Yearly survey/ credibility survey, better access to communications RE VO program ➤ Maintain and communicate solid verification protocol and VO and related processes (e.g., QA outcomes)

Addressing Other Key Risks

Theme	Risk	Mitigation Strategy
Stakeholder onboarding for SLCP acceptance	Potential risk to be inundated with onboarding requests; all coming at same time (e.g., amfori, OEKO-TEX, Costco, Disney, etc.)	<ul style="list-style-type: none"> ➤ Need to already onboard additional technical help in Q1 2023 as standing resource
VOO cost increase 2024-2025	Need to already prepare for cost increase of VOO activities in 2024-2025 contract due to inflationary pressures. Per hour rates will increase. Will be difficult to further decrease per VRF cost with VOO rate increase.	<ul style="list-style-type: none"> ➤ Need to see if further streamlining is possible ➤ Need to re-evaluate if all non-QA activities are essential/ priorities ➤ Need to re-evaluate mix of QA and use of data science to execute more targeted QA with less QA volume
Reliance on Sumerra as VOO	<p>Potential risk of Sumerra stepping away from SLCP. Heavy lift to execute RFP and onboarding of new VOO.</p> <p>SLCP has not budgeted 6 months of overlap to fund Sumerra onboarding of new VOO.</p>	<ul style="list-style-type: none"> ➤ Continued close communication with Sumerra on future of SLCP ➤ Continue status of Sumerra as key SLCP partner - involved in strategy, future planning, especially new 5-year Strategic Plan

2023 Strategy – AREA 4

Technology

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP has increased the number of Accredited Hosts connected to the Gateway
- SLCP has improved its system processes for smooth delivery and usage of the SLCP Ecosystem
- Credibility of SLCP data is strengthened through improved Gateway system checks (i.e., validation, other system checks)

What in 2022's approach can we leverage/continue in 2023?

- Continue close partnership with AHs, ensuring we retain current ones
- Continue dialogue with potential PAHs (Elevate, Inspectorio, Adec) to grow the number of Accredited Hosts engaged with SLCP, and engage potential brands toward becoming Brand Hosts
- Continue to partner with ITC to define the roadmap and deliver on system improvements
- Continue to engage AHs to streamline and improve system user experience

What do we need to do additional/differently in 2023?

- Ease the onboarding experience for new facilities by Q3'2023 to ensure in year improvement
- Clear focus and priority for improvements to Gateway Performance over the course of 2023
- Develop a consolidated Gateway product roadmap for CAF and non-CAF related system enhancements
- Improve the process for gathering, tracking, maintaining log of system requests for improvement, with emphasis on creating increased collaboration from AH + Stakeholders
- Improve usability on the Data Store through recommendation or provision of suitable tools

Technology Key Objectives



1. Increased Accredited Hosts engagement with SLCP's Ecosystem

Leading KPI: Signed an agreement with 1 PAH by end of year 2023.
Retained existing AHs.



2. Enhanced system processes for smooth delivery and usage of the Eco-system

Leading KPI: SLCP (&ITC) developed a roadmap for Gateway system improvements. Increase in the %age of facilities having a positive experience using the Eco-system between start and end of the year.



3. Increased credibility of SLCP Data through Gateway System checks

Leading KPI: By end of Q2 SLCP has identified data points for validation and implemented checks by end of Q2 (CAF 1.5) and Q4 (CAF 1.6).

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	<ul style="list-style-type: none"> ➤ Onboarding process remains fragmented, ➤ Bugs or UI issues in host systems, ➤ Hosts won't make necessary changes 	<ul style="list-style-type: none"> ➤ Define end-to-end journey. Engage hosts. ➤ Pass/fail testing packs, end-to-end journey ➤ Pass/fail testing packs
Credibility	<ul style="list-style-type: none"> ➤ Gateway system checks do not adequately ensure the quality and credibility of SLCP data 	<ul style="list-style-type: none"> ➤ SLCP & ITC to do a quality review of Gateway and ensure identified key data points have the appropriate system checks in place to ensure quality and credibility of data ➤ Make quality checks Blocking to prevent submission in inaccurate data
Value delivery	<ul style="list-style-type: none"> ➤ Loss of one or more existing hosts ➤ Unable to attract new hosts 	<ul style="list-style-type: none"> ➤ Maintain close relationship at leadership and technical levels ➤ Work closely with SHE team and BDM to identify and engage potential hosts in all categories
General	<ul style="list-style-type: none"> ➤ Do we have capacity to deliver all the elements of the strategy 	<ul style="list-style-type: none"> ➤ Clear and early prioritization ➤ Effective work planning and engagement with partners ➤ Use of consultancy support where needed

2023 Strategy – AREA 5

Communications & Stakeholder Engagement

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP is a "no-brainer" for a greater number of facilities (at least 10,000) because they can share it with many buyers (widely accepted)
- Brands & standard holders have confidence & trust in the data
- Laying the groundwork for SLCP to be recognized as an accelerator and solution provider for human rights' due diligence, and for driving systemic change through the sharing of credible data insights
- There is growing evidence that SLCP is unlocking resources that are being redirected to improving conditions
- There is growing awareness of and interest in SLCP beyond the apparel & footwear sector

What in 2022's approach can we leverage/continue in 2023?

- Increase in comms products that focus on impact, data insights and SLCP's policy positions
- Increased focus on comms to increase SLCP's credibility and on measuring stakeholders' perceptions
- Developing focus on public affairs and policy engagement
- Consultancy projects at end of 2022 to support 2023 work – sector analysis, resources unlocked

What do we need to do additional/differently in 2023?

- Increase the resource in the Comms & SHE Team, and officially incorporating Policy into this workstream
- Take a more commercial and proactive approach to driving adoption (as well as acceptance)
- Use story telling and case studies to garner support and demonstrate the impact of SLCP

Comms & Stakeholder Engagement Key Objectives



1. Increase adoption by increasing the number of brands & standard holders implementing and accepting SLCP (apparel & footwear, new sectors)

Leading KPI: Brands with combined supplier base of over 1000 facilities start active SLCP roll-out



2. Secure signatory support for next 5-Year Strategic Plan (2024-2028) and for SLCP to become an independent organization

Leading KPI: Majority of signatories vote to approve 5-Year Strategic Plan and independence, & number of voters meets minimum threshold of 40%



3. Increase trust and confidence in SLCP's a) data quality and b) ability to successfully redirect resources through an engaging comms strategy grounded in >20 case studies and examples of impact (in various formats including video)

Leading KPI: >80% of Credibility Survey respondents trust SLCP data



4. SLCP is recognized as an accelerator and solution provider for policy and legislative developments

Leading KPI: >60% of signatories consider the CAF a credible tool for supporting implementation of OECD Due Diligence Guidance (Signatory survey)

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 CAF seen as not suitable for onboarding/ initial audit with new suppliers or for small facilities (due to complexity, cost, resource & time required to complete)	<ul style="list-style-type: none"> ➤ Work across MT to assess these issues and identify workable solutions ➤ Comms & case studies highlighting examples of SLCP working well for small facilities
	#2 Increase in brands using SLCP leads to increased questions/ need for support from brands & not enough resource in Comms & SHE team to deliver	<ul style="list-style-type: none"> ➤ Recruit new SHE Manager ➤ Look at shifting more responsibility for customer engagement to Ops team
Credibility	#1 SLCP scaling increases exposure to public scrutiny of any perceived SLCP quality failings	<ul style="list-style-type: none"> ➤ Have up-to-date measures for incident/ crisis response ➤ Pro-active “positive” comms strategy to build SLCP reputation & protect from harm
	#2 SLCP cannot gather enough evidence/ examples to demonstrate that resources are being unlocked or redirected	<ul style="list-style-type: none"> ➤ Work closely with data insights workstream to find evidence of impact in our data ➤ Build partnerships with organizations that support improving conditions
Value addition	#1 Lack of convergence with key standard holders (BSCI & SMETA) creates pressure on facilities and brand (no audit reduction)	<ul style="list-style-type: none"> ➤ Work across MT on convergence ➤ Build out other benefits of SLCP (e.g. comparable data)
	#2 BD strategy attracts interest from brands but fails to land customers due to difficulties integrating/ interpreting the data	<ul style="list-style-type: none"> ➤ Work across MT to build range of services available through AHs (and brand host option) ➤ Provide more advice to brands (webinars etc)

2023 Strategy – AREA 6

Data Insights

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP data is credible and provides valuable industry insights for supply chain and sustainability actors (e.g., civil society, government, policy makers)
- SLCP data is easy to access by selected third parties and recognized as a driver in research and policy decisions.
- SLCP data is actionable in unlocking resources, facilitating HR DD solutions, and supports credible reporting in supply chains

What in 2022's approach can we leverage/continue in 2023?

- Datastore as platform to analyze SLCP verified data (partnership ITC)
- Strong and coordinated efforts in partnership with ITC on data analysis and publications (Learning & Evaluation Report, Impact Report)
- Trusted partners to further build out external research based on SLCP verified data
- Positioning of SLCP and usefulness of SLCP verified data in context of policy developments and source for industry insights

What do we need to do additional/differently in 2023?

- Deepen usage of the Data Store by current research partners and enhance usability of the platform
- Develop a Data Governance Framework to establish norms and protocols on how data is extracted, transformed, and used internally to SLCP and externally via 3rd parties for analysis.
- Develop a Data Strategy plan (partnership with Comms and DI TAC) for a strategic approach to the development and publication of SLCP data and reports
- Refined methodology for demonstrating SLCP impact in Resources Unlocked and Redirection of Resources
- Launch a joint publication with a trusted partner to build on SLCP credibility

Data Insights Key Objectives



1. Enhance SLCP (&ITC) data analytics & reporting.

Leading KPI: Reports demonstrate SLCP's added value in trend analysis and unlocked resources. Expanded 3rd party access to the Data Store and eased analytics usability on the platform.



2. Facilitate and promote SLCP verified data & data insights with trusted third parties for industry-wide trend analysis.

Leading KPI: Expanded third party research partnerships based on SLCP data. Facilitate one joint data event with a partner (i.e., AH, BW, TAC member, Academic etc.).



3. Demonstrate usefulness of SLCP verified data & data insights in context of policy developments.

Leading KPI: SLCP data recognised as a credible source of social & labor data to facilitate supply chain policy & legislation implementation.

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Managing the growing interest and data needs from Data Insights	➤ Develop a process for coordinating, tracking, and responding to internal data needs and requests
	#2 CAF/SLCP verified data too complex to provide value added services by partners	➤ Create CAF interpretation tool(s)
SLCP Relevancy	#1 Current SLCP verified data does not fully capture the needs for industry insights and policy compliance from brands.	<ul style="list-style-type: none"> ➤ Conduct a review of the CAF questions, identifying current gaps in meeting current data needs for analytics and reporting, with the goal of updating the CAF to include questions to better inform analysis. ➤ Develop clear guidance (toolkit, legal analysis) which maps SLCP's CAF and data with the demands of policy developments.
Credibility	#1 Perceived (lack of) credibility of data and publications	<ul style="list-style-type: none"> ➤ Continue to enhance VO and Comms. Developed a Data Governance Framework for standardized norms and protocols on how data is extracted, transformed, and used internally to SLCP and externally by 3rd parties for analysis ➤ Showcase SLCP verified data value by Impact Report and (future) joint papers with NCP/other institutions

Addressing Other Key Risks

Theme	Risk	Mitigation strategy
Internal Organization/ Secretariat	#1 Insufficient capacity to support the successful publication of the Learning & Evaluation report, Impact report, and newly launched Fact Sheets in a timely manner.	<ul style="list-style-type: none"> ➤ Work with Interns and Consultants. ➤ Lean more into the DI TAC and SLCP Council to support with guidance and expertise in the development of SLCP data products. ➤ Distributing parts of the work to different team members.
	#2 Stepping in too many collaborations, especially with Academia (big demand).	<ul style="list-style-type: none"> ➤ Caution on new partnerships, but rather be selective and build solid foundations.
	#3 New policy developments are overwhelming. We have limited capacity: hard to identify most relevant ones and implement successful strategies.	<ul style="list-style-type: none"> ➤ Smart engagement with/through influential stakeholders. ➤ More capacity (resources/ hours) on policy.

2023 Strategy – AREA 7

Internal Organization

Section 3



Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- Established multi-stakeholder organization: social entrepreneurial spirit, value driving, implementation oriented. Independent Governance.
- Financially sound (100% coverage core expenses Secretariat on earned income. Charity funding/donations for innovative projects (beyond running operation); 15K+ VRF/= and 3.5-4 M budget (TBC), 3-6 months reserve).
- Lean & Mean organization, but Solid & Smart: Strong MT, stable staffing: full-timers supplemented by part-timers. Collaboration with like minded organizations, local embedding.
- Critical & functional partnerships with ITC & BW, SAC and other relevant organizations (including standard holders)

What in 2022's approach can we leverage/continue in 2023 (to reach the long-term goal)?

- Multi-stakeholder governance: well functioning Council, clear Governance documents.
- Professional team, well resourced organization, low staff turn over. Investments on Organization Culture is paying off!
- Working business model based on earned income. Financial health (self reliance).
- Meaningful and constructive collaborations with other initiatives and programs (complementary rather than competitive approach).
- Conservative budget management, based on Base Adoption (with in addition Targeted Adoption)
- Where possible: (more) consistency of contracts in our team: employment where possible, contractors with appropriate support package.

What do we need to do additional/differently in 2023 (to reach the long-term goal)?

- Further investments in staff/team building including in-person meeting if possible.
- Cash flow management: build up reserves and try (with industry) to flatten the adoption curve and reduce seasonality in revenues.
- Operational progress on plan for legal independence, while creating strategic partnership with (former) host SAC
- Collaborations Standard Holders/MSI intense and time consuming., revisit priorities (e.g. versus policy)
- Prepare for next 5 Year Strategic Cycle

Internal Organization - 2023 Key Objectives



1. Further develop a well resourced and financially healthy organization

Leading KPI: : 2-3 months surplus EoY (500K+ USD)



2. Maintain a professional, effective and growing team where staff can drive SLCP's progress and 'flourish'

Leading KPI: >70% staff retention rate



3. Ensure good multi-stakeholder governance, prepare for legal independence

Leading KPI: SLCP registered as Foundation in the Netherlands, ready to operate Q1 2024



4. Leverage partnerships

Leading KPI: Renewal and extension agreements with strategic partners ITC and Better Work



5. Develop new 5Y strategic plan

Leading KPI: Next SLCP 5Y Strat Plan (2024-2028) finalized and supported by Signatories in vote

Addressing Adoption Barriers

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Insufficient budget/capacity at Secretariat to make necessary improvements in Helpdesk/Support and Gateway	<ul style="list-style-type: none"> ➤ Keep prioritizing ITC partnership, support in ITC-EU DG INTPA contract extension ➤ Expansion of team in regions, while keeping customer approach in prioritizing improvements
Credibility	#1 Insufficient budget/capacity at Secretariat to ensure robust data quality & integrity	<ul style="list-style-type: none"> ➤ Prioritizing VO and DI in 2022 staff expansion
	#2 Insufficient capacity/budget from VOO or too high budget/low quality for money VOO	<ul style="list-style-type: none"> ➤ Partnership approach with VOO, quality first, transparency, trust (long term approach) ➤ Closely monitoring budget, seek efficiency gains
	#3 Perception that SLCP is low denominator in terms of data quality & integrity	<ul style="list-style-type: none"> ➤ Prioritizing capacity for Comms & SHE to explain our data quality & integrity program ➤ Prioritize and highlight our partnership with APSCA
Value delivery	#1 Partnerships with AHs don't incentivise value add for SLCP users	<ul style="list-style-type: none"> ➤ Continuous upgrades Gateway and SLCP AH agreements/fees to incentivize value added features ➤ Open (partner like) dialogue with AHs
	#2 Partnerships related to alignment/compatibility don't work	<ul style="list-style-type: none"> ➤ Prioritize BW collaboration in tool updates, SAC for FSLM alignment & adoptoin, and amfori compatibility (also with GiZ political support)



Addressing Other Key Risks

Other areas	Risk	Mitigation strategy
Financial	<p>#1 Less earned income due to lower adoption than expected (deviation from planned nominations and/or COVID-19 impact)</p> <p>#2 Seasonal income (verification cycle) resulting in cash flow risks</p>	<ul style="list-style-type: none"> ➤ Work upfront on detailed scenario planning ➤ Investment in Business Development (see also Strat area 5. Comms & SHE) ➤ (see also Strat area 1. CAF); Explore COVID-19 scenario (full virtual verification) together with ILO-BW ➤ Proper forecasting of expenses ➤ Flexible SLCP set up, easy adjustments in growth and slow-down scenarios
Organizational	<p>#1 Unclear on relationship SAC-SLCP / perception SLCP not 'neutral'</p> <p>#2 Inability to drive own policies and procedures (due to being legally hosted by SAC)</p>	<ul style="list-style-type: none"> ➤ Follow up on SAC assigned study SLCP value creation ➤ SLA in place with SAC on hosting services ➤ Legal incorporation SLCP as Foundation with IP owned by new organization ➤ Renewed dialogue on future relationship with Joint WG
Staffing	<p>#1 Not able to recruit qualified staff in highly competitive market</p> <p>#2 Mismatch staff capacity and ambition (understaffing, burn-outs, lower quality of work)</p>	<ul style="list-style-type: none"> ➤ Investment in team/ talent management: organization culture, staff well-being, team building, learning sessions, trainings, personal development ➤ Careful and pro-active resource planning ➤ Recruit globally, use staff testimonials and other to attract talent ➤ Implement comprehensive onboarding program ➤ Provide appropriate salaries along with other benefits