

SOCIAL & LABOR CONVERGENCE

MINUTES CC10 – 23 and 30 April 2020

Webinar 4 – 5.30 PM CET

Council members present:

1	Pierre Hupperts	Independent Chair, SLCP Council
2	Tamar Hoek*	Solidaridad
3	Eranthi Premaratne	SAC
4	Ninh Trinh	Target (joined later)
5	Steve Harris	Expert
6	Nikhil Hirdaramani	Hirdaramani Group
7	Melina Tse*	Esquel Enterprises Limited
8	Darren Chastain	Gap Inc.
9	Aleix Busquets Gonzalez	C&A
10	Anna Burger	Expert
11	Daniel Danielson	Expert
12	Darrell Doren	ELEVATE

Apologies 23 April

1	Abhishek Bansal	Arvind Limited
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*Apologies 30 April

1	Melina Tse	Esquel Enterprises Limited
2	Tamar Hoek	Solidaridad

SLCP Secretariat

1	Janet Mensink
2	Holly Menezes
3	Sharon Hesp
4	Adam Castle
5	Susanne Gebauer

Agenda item	Pre-reads	Ask to CC
1. Opening and Welcome	N/A	<ul style="list-style-type: none"> • Special welcome to Eranthi (SAC)
2. Minutes CC9	2. Draft minutes CC9	<ul style="list-style-type: none"> • Approve/amend minutes
3. SLCP 2020 and Corona virus	see mailings 10 and 15 April <i>Verbal updates</i>	<ul style="list-style-type: none"> • Be aware of current impact and mitigation actions • Be updated on status 2 Industry Response initiatives and SLCPs involvement
4. 2020 Adoption and Budget	4A. Memo 2020 budget 4B. Budget Figures 2020	<ul style="list-style-type: none"> • Be aware of financial situation: opportunities and challenges • Approve/amend proposal on principle decision of option for increasing Verification upcharge fee at discretion of Finance Committee
5. Signatory Charter	5. Memo Charter update	<ul style="list-style-type: none"> • Be informed update in SLCP signatory charter (decision CC7)
6. SLCP collaborations: amfori & BetterBuying	6. Memo amfori and Better Buying collaboration	<ul style="list-style-type: none"> • Be updated on plans to amend wording of Signatory Charter to include a commitment to 'true data' • Be updated on signed MoU with BetterBuying (decision CC7)
7. SLCP collaboration: update joint tool review ILO-BW	N/A <i>Verbal updates</i>	<ul style="list-style-type: none"> • Be updated on progress made
8. Governance: <ul style="list-style-type: none"> • Recruitment new Chair 	N/A <i>Verbal updates</i>	<ul style="list-style-type: none"> • Be updated on progress recruitment new Chair
9. SLCP Council meetings and outreach	N/A	<p><i>Council and other SLCP meetings 2020</i></p> <ul style="list-style-type: none"> • Be aware of 2020 (Council) meetings (should be in your e-calendars already). • Call out: <ul style="list-style-type: none"> ✓ SLCP Signatory webinar -> 28 April ✓ CC11 25 May Copenhagen -> virtual meeting 27 May ✓ SLCP General Assembly in Copenhagen: 26 May 2020-> postponed to 14 October (TBC)

Summary Key Decisions

- Minutes CC9 approved
- COVID-19 impact on the apparel & footwear industry: SLCP supports the Global Social Partners statement regarding COVID-19 Response
- Principle approval on complimentary MSI coalition statement.
- COVID-19 impact on SLCP as a Program: reduction 2020 adoption targets. Take 2020 as 'pause' year in our 5 Year Strategic Plan. This implies:
 - ✓ Minimize expenses, secure revenue and have a positive balance by the end of the year
 - ✓ Prioritize tool review in collaboration with ILO BW and related support materials
 - ✓ Maintain engagement with brands, manufacturers, facilities, verifiers and hosts
 - ✓ Get our house in order for 2021 scaled operation
- COVID-19 impact on SLCP budget: revised budget (including significant cost cuts) approved.
- Janet to schedule short call next week (30-60 min) to discuss remaining agenda points (5 – 9), => Thursday 30 April 3.30 CET.
- Signatory Charter: Council endorses of the language and change will be communicated to signatories in the next Newsflash. (update/inclusion was approved in CC7)
- Endorsment direction collaboration and partnerships BetterBuying and Amfori: MoU draft document with Amfori will be shared with Council for input before sending to Amfori.
- Tool review together with ILO-BW: PPT on this work will be shared with Council. Council members will review and Secretariat will reach out to certain Council members to understand how we want to move forward on compliance questions related to step 0.5 and step 1.0.
- In May meeting (May 27) Council will (is expected to) take a decision on the next Chair.
- The General Assembly in-perons meeting cancelled. In stead SLCP will organize virtual meeting(s)

1. Opening and Welcome

- Opening by SLCP Council chair Pierre Hupperts.
- Special welcome to Eranthi, who left MAS and joined SAC, replacing Baptiste in the Council.
- Reminder on SLCP rules of engagement and anti-trust guidelines.

2. Minutes CC9

- Minutes CC9 approved.

3. SLCP 2020 and Corona virus

Context

- Separate memos on COVID-19 impact and mitigation strategies were sent to the Council 2 weeks ago (10 and 15 April). Slightly outdated as covid-19 impact evolves rapidly. Sets the framework for today's discussion:
 1. Anna, Nikhil and Ninh are involved in the COVID-19 Task force with Janet and Holly from the Secretariat.
 2. Two initiatives in which SLCP is involved: ILO/Global Social Partners initiative and MSI coalition initiative . Advice Task force is to engage with both initiatives and support both. Aligned with vision of SLCP (improving working conditions), also SLCP represents a large part of the industry and should support this in line with the collaboration principle. Copy of the statements of both initiatives have been shared with the Council.
 3. SLCP way of working, impact on stakeholders and the future of SLCP: number of VRF expected for 2020 is lower than initially estimated. 2020 should be considered a "pause on the 5-year strategy". Make sure we cover budget for this year and prepare for a re-start and full implementation from 2021 onwards. SLCP is post-pandemic proof (focus on technology, innovation) and we expect to be able to go full force after covid-19. Business continuity discussed under agenda point on finance.

Decisions

- COVID-19 impact on the apparel & footwear industry: SLCP supports the Global Social Partners statement regarding COVID-19 Response
- Principle approval on complimentary MSI coalition statement.
- COVID-19 impact on SLCP as a Program: reduction 2020 adoption targets. Take 2020 as 'pause' year in our 5 Year Strategic Plan. This implies:
 - ✓ Minimize expenses, secure revenue and have a positive balance by the end of the year
 - ✓ Prioritize tool review in collaboration with ILO BW and related support materials
 - ✓ Maintain engagement with brands, manufacturers, facilities, verifiers and hosts
 - ✓ Get our house in order for 2021 scaled operation

4. 2020 Adoption and Budget

Context

- Memo and budget were received by the Council as a pre-read. Finance committee has been meeting regularly to keep up with rapidly changing scenario. We are in a period significant turmoil which is affecting our operations. Number of assessment and verifications is going down, also as Verifiers are not able to travel to facilities. 2020 should be considered a "pause year". Tool review needs to be prioritized. Engagement with key stakeholders need to continue and we need to be seen to keep momentum. Focus on bringing house in order for 2021 operations. Maintain minimum operational level and reduce budget by cutting non-core activities. Financial risk needs to be mitigated (lower # of VRF): we need to close the gap with raising the Verification Upcharge Fee. Several scenarios with different Verification Upcharge Fees can be considered. Increasing the Fee now is risky, could feel as penalizing the committed parties that continue with adoption/implementation during this difficult time.

Decisions

- COVID-19 impact on SLCP budget: revised budget (including significant cost cuts) approved.

*****part II, 30 April *****

Starting remarks, reflection on CC10 part I 23 April

- Robust but constructive discussions on 23 April. Concluding items:
 - No one is in favor of raising the Verification Upcharge Fee, especially during these covid-19 times.
 - COVID-19 stakeholder responses and SLCP's involvement have multi-faceted perspectives and potential impacts. Framing it rightly (link to our own mandate) is very important.
 - Message went out that expressed SLCP support to ILO Global Call to Action and MSI call to action last week.
- Anti-trust statement is repeated.

5. Signatory Charter

Context

- Signatory Charter: In line with CC7 decision, include line in Charter Commitments on 'true data'. Council endorses of the proposed language and change will be communicated to signatories in the next Newsflash. (Suggested update/inclusion was approved in CC7)

Decisions

- Council approves of the language and change will be communicated to signatories in the next Newsflash.

6. SLCP collaborations: amfori & BetterBuying

Context

- Following CC7 discussions and decisions: Looking for a close partnership with amfori and BetterBuying.

Decisions

- Endorsment direction collaboration and partnerships BetterBuying and Amfori: MoU draft document with Amfori will be shared with Council for input before sending to Amfori.

7. SLCP collaboration: update joint tool review ILO-BW

Context

- Weekly sessions with ILO-BW to come to an essential question set for the Data Collection Tool v1.4. Current step 1 in Tool v1.3 includes a large number of data points. The new "essential" step in Tool v1.4 will be a lot smaller, with a focus on compliance based data points (related to local labor laws and international labor standards). This can become the new step 1. Depending on the useability perhaps a step 0.5 for SMEs only to be included. Overall, the number of data points will go down significantly. The logic of the Tool will stay the same, as will be the output keys (based on which brands and Accredited Hosts have built their systems).
- In mapping exercise: Data from 9 brands is collected on what they consider essential for their CoC. They have been compared with ILO-BW essential data points as well as the current SLCP data points. Comparisons are done to come to a final "essential" question set. After mapping is done, question set will be shared with Task Force Tool Review (consisting of Technical Advisory Committee (TAC) on CAF and few additional stakeholders).
- Apart from revising the question set, technical optimization of the Tool is sought. Look and feel will be improved.

Decisions

- Tool review together with ILO-BW: PPT on this work will be shared with Council. Council members will review and Secretariat will reach out to certain Council members to understand how we want to move forward on compliance questions related to step 0.5 and step 1.0.

8. Governance

Context

- Second formal round of the selection process has been completed. Four candidates were asked to send in their resume and application letter. Three did so and the interviews with these three candidates were concluded this week. Recruitment committee members are now scoring candidates. Next steps: informal conversations and references. In mid to late May the committee will put forward a candidate for Council decision making (if indeed a suitable candidate has been found).

Decisions

- In May meeting (May 27) Council will (is expected to) take a decision on the next Chair.

9. SLCP Council meetings and outreach

Context

- Copenhagen Fashion Summit will take place on October 12 -13. However, the Secretariat still recommends not having a face-to-face General Assembly.
- Agenda for the next meeting includes ILO-BW collaboration, nomination new Chair.

Decisions

- The General Assembly in-person meeting cancelled. In stead SLCP will organize virtual meeting(s)