

SOCIAL & LABOR CONVERGENCE

CC16 Minutes – 1 & 2 December 2020

Webinars (two parts), 3-5 CET – Janet’s Zoom

Council members present:

1	Jonathan Obermeister	Independent Chair, SLCP Council
2	Eranthi Premaratne	SAC
3	Ninh Trinh	Target
4	Steve Harris	Expert
5	Nikhil Hirdaramani (Day 1 only)	Hirdaramani Group
6	Daniel Danielsen (joined late both days)	Expert
7	Abhishek Bansal	Arvind Limited
8	Aleix Busquets Gonzalez (Day 1 only)	C&A
9	Tamar Hoek	Solidaridad
10	Anna Burger	Expert
11	Darrell Doren	ELEVATE

Absent with apologies

1	Melina Tse	Esquel Enterprises Limited
2	Darren Chastain	Gap Inc.

SLCP Secretariat

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

Observers

1	Joseph Wozniak, ITC
2	(Agenda items 6 & 8)
	Michael Andrew, Sumerra
	(Agenda item 7)

Agenda item	Pre-reads	Ask to Council
PART ONE: 1 DECEMBER		
1. Opening and Welcome	N/A	<ul style="list-style-type: none"> N/A
2. Minutes CC15	2. Draft minutes CC15	<ul style="list-style-type: none"> Approve/amend minutes
3. Update 2020 Ops	3. 2020 Operation update	<ul style="list-style-type: none"> Be aware of progress and adoption
4. Outcomes signatory survey	N/A <i>Presentation by Secretariat</i>	<ul style="list-style-type: none"> Be aware of Signatory feedback
5. Signatory Charter	5. Proposed update	<ul style="list-style-type: none"> Amend/Approve Signatory Charter
6. 2021 plan (1) <ul style="list-style-type: none"> General CAF Roll-out Tech 	6. 2021 plan	<ul style="list-style-type: none"> Amend/Approve 2021 plan
PART TWO: 2 DECEMBER		
7. SLCP data integrity/Verification Oversight	N/A <i>Presentation by Secretariat and Sumerra (TBC)</i>	<ul style="list-style-type: none"> Be updated Q&A and discussion
8. 2021 plan (2) <ul style="list-style-type: none"> VO SHE & Comms Internal/Organisation 	8. 2021 plan	<ul style="list-style-type: none"> Amend/Approve 2021 plan
9. Collaboration ILO-BW	N/A <i>Presentation by Secretariat</i>	<ul style="list-style-type: none"> Be updated on progress and challenges
10. Partnership and hosting agreement SAC	N/A <i>Verbal update Chair</i>	<ul style="list-style-type: none"> Be updated on progress and challenges
11. Finance/Budget	11. SLCP Budget 2020 and 2021 financial planning	<ul style="list-style-type: none"> Be aware of financial situation: opportunities and challenges Approve 2021 budget
12. AoB (N/A	<ul style="list-style-type: none"> N/A
13. Closure	N/A	<ul style="list-style-type: none"> Key take-aways CC16

Summary Key Decisions

- Minutes CC15 approved
- Publicize some of the signatory survey results
- Small amendments to Signatory Charter approved with an additional line added at Council request to reinforce adoption commitments (see modification attached (email 3 Dec) for approval)
- SLCP 2021 strategic plans approved: section 1 & 2 and section 3 (plans 6 areas)
- For the Verification Oversight plan, the Council will re-discuss the details on sufficient QA level in future Council meetings to ensure the right prioritization of resources
- SLCP 2021 budget approved, with caveat on Verification Oversight (see above)
- Council working group to be set up to finalize collaboration agreement with ILO-BW
- Jonathan to lead negotiations with SAC on hosting agreement, consulting with working group where necessary

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1. Opening and Welcome

- Reminder on the SLCP engagement rules and specifically anti-trust guidelines.
- Jonathan welcomed the Council and congratulated team on hitting 1000 VRF milestone recently
- Council has quorum for meeting to proceed

2. CC15 Minutes

Decisions

- No remarks on the minutes, CC15 minutes approved.

3. 2020 Ops Update

Context

Review of 2020 operations to-date: presentation of statistics. There are now over 2000 facilities in the Gateway and over 1050 have completed at least one verified assessment in 2020. There are over 550 assessments ongoing. Adoption now growing outside of China (currently under 60% of total volume). Expect to reach 1200 verified assessments by the end of the year. Brief update on recent comms and engagement activity including: 5 pieces of coverage of recent press release; analyzing results of signatory survey; growing number of brands & organizations on acceptance list; planning for 2021 Q1 webinars.

Decisions

N/A

4. Signatory Survey Outcomes

Context

Annual survey is conducted to understand signatory engagement levels, compare to last year and identify potential improvements to SLCP. 102 responses; 46% of total signatory base; turnout higher than last year (36%).

Results overall more positive than last year. Breakdown of respondents similar to breakdown of signatory base; audit firm slightly overrepresented; NGOs slightly underrepresented.

Quite promising results;

- signatories believes they are included and being listened to.
- SLCP resources (e-learning, Gateway homepage, newsflashes, webinars) deemed useful and effective.
- 2020 Adoption (45 respondents as brands and manufacturers only): >75% affected by COVID-19; approx. 75% lack of acceptance of SLCP from our partners; only 7% significantly impacted by technical issues.
- Manufacturer comments: 89% accuracy index important to them; 89% noted they disclose honest data;
- use of data for making corrections of facility circumstances 40% brand respondents used SLCP data from more than 10 facilities.
- 50% manufacturer respondents had been asked to share SLCP data by 3 or more brands.
- 71% compared to 46% last year reported using CAF instead of proprietary tools. 93% now expect to use CAF instead of proprietary tools compared to 73% in 2019.

- 20% reported redirecting savings due to the CAF (in 2019 only 15% predicted this would be possible in 2020)
- 72% this year versus 27% last year have plan in place to track the redirecting of resources saved through the CAF.

Decisions

- Publicize some of the signatory survey results

5. Signatory Charter

Context

Signatories commit to principles set out in the Signatory Charter. The last update to the Charter was approved by the Council in December 2019 and implemented in January 2020. The Secretariat has therefore conducted another annual review and is proposing some small amendments to the wording to ensure the Charter remains relevant and valid. If the Council approves the changes, the updated version will be presented to signatories in January at which point they will have the opportunity to opt-out as a signatory if they strongly disagree.

Decisions

- Agree to minor changes proposed
- Add in a couple of lines to strengthen the commitment from signatories to enforce adoption

6. 2021 Plans – Overview and Plans 1 to 3

Context

Overview: A detailed 2021 strategic plan was sent to the Council as a pre-read. The Secretariat also has an even more detailed version available for any Council members who would like to review planned activity and KPIs in detail. During the Council meeting, the Secretariat will present an introduction & context, the 2021 high level goals and budget, and then a quick presentation of the plans in each strategic area: in CC16 part 1 the CAF, Roll-out, and Tech plans will be presented and in part 2 the VO, Comms & SHE, and Internal Organization plans will be presented (agenda item 8).

Introduction & context: High level goal in 2021 will be to increase adoption, enhance data integrity and to ease implementation. The successful roll-out of the CAF v1.4 will be key to this. In addition, expanding the partnership with ITC, stabilizing the tech system, maintaining the quality and quantity of VBs and TBs, and expanding collaboration with ILO-BW will be key priorities. Our target will be 4000 verified assessments. In 2022, we would aim to target 10,000 verified assessments.

Budget: Aim to expand the budget in 2021 and to increase earned income from 40 to 90% of budget.

Governance: Council elections are starting in a couple of weeks. Existing Council members need to nominate themselves to be in the running.

Future opportunities: Increase confidence in 2021 adoption estimations – fine tune nominations (including overlap analysis) and monitor closely. Explore option of partial/ full virtual verification. Explore data insights/ analysis of aggregated, anonymized verified data to support industry efforts to

improve working conditions. Explore further industry convergence – different product groups, diversity of brands and work on compatibility with existing standards. Ensure dynamic financial management – able to adapt to slow downs or accelerations in adoption.

Strategic aims: 1) **Industry adoption:** increase adoption; 2) **Unlock resources:** cost reduction for SLCP users and better measurement of savings, partnerships with other organizations; 3) **Data access & comparability:** begin to leverage SLCP data insights, 4) **Financial resilience:** move from start-up to established organization.

Strat Plan 1: CAF: Objectives are 1) Successful implementation of CAF v1.4; 2) Successful planning and preparation for CAF v1.5 including seamless update; 3) COVID readiness – feasibility of partial/ full virtual verification

Strat Plan 2: Roll-out: Overall goal is to be ready to scale. Objectives are 1) Meaningful global presence – increase volume beyond China; 2) Scale training with partners – building on 2020 TB program & work with partners to add local languages and improve user-friendliness of e-learning platform in collaboration with ITC; 3) Build support team capacity in order to handle increased demand for user support in line with increased volume.

Strat Plan 4: Tech: Objectives are 1) CAF v1.4 development and mitigate risks of bugs etc. to ensure good quality data and user satisfaction; 2) Provide options for better data analytics to make it a less manual process and ensure security, identify partners for data analysis; 3) Stabilize the SLCP ecosystem including good planning for future changes and nurturing our relationships with ITC and the Accredited Hosts.

Decisions

- General/high level strategic plan (section 1) approved
- CAF plan approved
- Roll-out plan approved
- Tech plan approved

7. Data Integrity/ Verification Oversight

Context

Susanne and Michael Andrew from Sumerra presented to Council. Susanne presented an overview of SLCP data quality measures and of ongoing Quality Assurance activities including counter, duplicate and shadow verifications; VB management checks; and desktop reviews. Michael presented the VOO support activities including capacity monitoring; clarifying VB requirements; updating the QA manual and partnerships (e.g. with APSCA). Michael presented the number of different types of QA activities carried out and explained the impact of COVID on QA this year. The number of new VBs and Verifiers in 2020 was higher than expected. Desktop reviews demonstrated an increase in quality this year from last year, potentially as Verifiers are now more familiar with the process. The new automated checks have also helped increase data quality. Slight increase in average Verifier score this year however there are new Verifiers coming into the system all the time and they will need to gain experience to score very highly. Duplicate verifications have been very helpful in identifying inconsistencies in approach. Until now, QA activity has been skewed towards China as that is where the biggest volume of assessments has taken place, although this should change in 2021. In 2021, the VOO will propose a mix of QA activities that add the most value in terms of increasing accuracy and precision. There will be more

automated checks which will free up VOO resource for qualitative checks. In 2021, we will have enough Verifier performance data to implement a process and consequences for poor performing Verifiers.

Decisions

- N/A
- Note Secretariat Feb 2021: [did use some of 2020 financial surplus to invest in additional QA activities, working on benchmark other systems and recently done elaborate webinar on SLCP QA. Further enhancements high on 2021 agenda.]

8. 2021 Plans – Continued

Context

Strat Plan 3: Verification Oversight: Objectives are 1) Ensure high quality VBs and Verifiers & adequate geographical coverage; 2) Alignment with key standard holders on QA; and 3) Preparation for VOO RFP for 2022-23.

Strat Plan 5: Comms & Stakeholder Engagement: Objectives are 1) Retain engagement and support of active signatories; 2) Convince more brands to accept SLCP data; 3) Drive convergence with other standard holders

Strat Plan 6: Internal Organization: Objectives are 1) Well-resourced organization; 2) Professional team and appropriate governance; and 3) Leveraging partnerships with ITC, SAC, AHs, ILO-BW and key standard holders.

Decisions

- VO plan approved with agreement to look at some more of the detail of the plan in the next Council meeting
- Comms & stakeholder engagement plan approved
- Internal organization plan approved

9. ILO-BW Collaboration

Context

Pre-read shared with the Council setting out the key principles and shared vision of the collaboration as well as an explanation of the process that is currently be worked through to establish concrete plans for 2021. Presentation of opportunities and challenges in the year ahead, and proposal of next steps. This includes a proposal to set up a small Council working group to support on finalizing the collaboration agreement.

Decisions

- Working Group set up: Anna, Ninh, Abhishek and Dan

10. SAC Partnership & Hosting Agreement

Context

Little to report to the Council as discussions with SAC on the draft agreement have not greatly progressed. Janet and Jonathan are awaiting an explanatory call to discuss the draft.

Decisions

- Jonathan to lead the negotiations with SAC on behalf of the Council, consulting with working group where necessary

11. Finance/ Budget

Context

Pre-read was sent to the Council with the 2020 budget and preliminary 2021 budget. We expect to carry forward \$15,000 into next year. Budget committee requesting approval of baseline 2021 budget proposal. Other scenarios are also presented: worst case and favorable.

Decisions

- Budget approved

12. AOB

N/A

13. Closure

- Additional Charter wording to be sent by email
- Reminders: Pierre's farewell (4 Dec), nomination for Council seats and submit your recordings for SLCP promotional video

Practicalities and notes:

- ✓ Please send an email to Janet if you're not able to participate and in that case if you have your alternate to join.
- ✓ If you can't join nor your alternate: we would appreciate your email input for the call 10 AM CET time on the day before the meeting.
- ✓ SLCP meetings use rules of engagement to facilitate discussions, strive towards consensus and and comply with Chatham House rules and follow Anti-trust guidelines, see below for relevant items SLCP Governance document:

SLCP Governance Document:

Operating Procedures B. 1 and B.2 (excerpt):

- We constantly remind ourselves and others that the Program is owned and **driven by signatories** and are mindful of the Program **guiding principles** such as **equal partnership, transparency, inclusiveness and credibility**. We have **authentic, trust-based and respectful conversations** and assume good intentions, listen to another's view point and be open to learn from others
- We observe **Chatham House Rules**: "When a meeting, or part thereof, is held under the Chatham House Rule, participants are free to use the information received, but neither the identity nor the affiliation of the speaker(s), nor that of any other participant, may be revealed."
- **Consensus** is defined as, at a minimum, "**no objections**" or as **being able to "live with" an outcome**, perhaps in light of how it fits into a larger whole. One person or entity may not prevent the larger group from achieving agreement by simply objecting. When a member in a conversation disagrees with a consensus proposal, he or she is expected to justify their interest-based objection and obliged to work constructively to ensure that their interests are met while also allowing the proposal to realize its potential as intended by its proponents.
- It is the policy of the Program to comply fully with all applicable laws, including the antitrust laws, and accordingly, all activities of the Program shall be conducted in accordance with **Antitrust Compliance Guidelines** of the SLCP. Summary: Participants in this meeting are free to exchange or discuss publicly available information. However, the **participants should avoid any discussions or joint efforts regarding confidential competitive information such as non-public cost or price information, non-public volume information, strategic plans or other information that is not "reasonably necessary" to achieve the SLCP goals.**