SOCIAL & LABOR
CONVERGENCE

SLCP Council - CC23 Minutes – 7 & 8 December, 2021

- **Online 7th December 15.30-17.30 PM CET – SLCP Zoom**
- **Online 8th December 13.30-15.30 PM CET – SLCP Zoom**

Council members present

1	Jonathan Obermeister	Independent Chair
2	Ninh Trinh	Target
3	Steve Harris	Expert
4	Nikhil Hirdaramani	Hirdaramani Group
5	Daniel Danielsen*	Expert
6	Michael Cai	Décor Co
7	Anna Burger	Expert
8	Margot Sfeir	ELEVATE
9	Mary Bean	Columbia Sportswear
10	Mayank Kaushik	Inditex
11	Tamar Hoek	Solidaridad

Absent with apologies

1	Jeremy Lardeau	SAC
2	Abhishek Bansal	Arvind Limited

External guests present

1	Joe Wozniak*	ITC (for agenda item 8 only)

Secretariat members present

1	Janet Mensink
2	Holly Menezes*
3	Sharon Hesp
4	Susanne Gebauer*
5	Tom Mason

*Attended 7th December only

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Agenda item	Timing	Pre-reads	Ask to Council
		PART ONE: 7 DECEMBER	
1. Opening and Welcome	*15.30-15.35*	*N/A*	• N/A
2. Minutes CC22 & updates since (SAC relationship)	*15.35-15.40*	2. Draft minutes CC22 *Verbal update Chair*	• Approve/amend minutes • Be updated on planning joint WG SAC-SLCP
3. Governance updates	*15.40-15.45*	3. Memo updates on SLCP with proposed update Governance Document and Signatory Charter	• Amend/Approve updates in Governance Document and Signatory Charter: o Updates: to protect CAF IP, clarification role Counselor, new TAC
4. 2021 Progress update	*15.45-15.50*	5. 2021 Operation & Adoption update	• Be aware of 2021 high level status • Q&A and discussion
5. Outcomes signatory survey	*15.50-16.00*	*N/A* *Presentation by Secretariat*	• Be aware of Signatory feedback • Q&A and discussion
6. 2022 plan (1) o General o CAF o Roll-out o VO o Comms & SHE	*16.00-16.30*	6. 2022 plan	• Q&A and discussion • Amend/Approve 2022 plan
7. SLCP deep dive: Worker Engagement	*16.30-17.00*	*Presentation by Secretariat* 7. WE Tech pilot info	• Be updated • Q&A and discussion
8. Collaboration ITC	*17.00-17.25*	N/A *Presentation /Discussion ITC (Joe & Mathieu) -TBC*	• Be updated on progress and challenges
9. Check in/Day 2 agenda	*17.25-17.30*	N/A	• Key takeaways day 1 • Identify open ends/follow up conversations for day 2

		PART TWO: 8 DECEMBER	
10. Council & Chair Evaluation	*14.00-15.00*	10. Outcomes Council and Chair evaluation (sent separately by Governance Committee)	• Key priorities for Chair and Council 2022
11. 2022 plan (2) o Tech o Data Insights o Internal/Organisation	*15.00-15.30*	2022 plan (see agenda item 6)	• Amend/Approve 2022 plan

12. Finance/Budget	*15.30-15.40*	12. SLCP Budget 2021 and 2022 financial planning	• Be aware of financial situation: opportunities and challenges • Approve 2022 plan. Specifics: Establishment new TAC on Data Insights • Approve 2022 budget
13. Foresight 2022	*15.40-15.45*	13. Draft 2022 calendar	• Be aware of key activities 2022 • Approve/amend 2022 Council calendar
14. AoB	*15.45-15.50*	• Upcoming thematic Council meeting Audit Firms' perspective (20 Jan) -Rona Star APSCA guest speaker • Follow us on LinkedIn: • Reminder SLCP signatory portal	• Be aware of updates/reminders
15. Close	15.55-16.00	N/A	• Key take-aways day 2 and CC23 as a whole.

Summary: Key Decisions

- CC22 minutes approved.
- Endorsement of minor governance updates:
- In-principle approval of detailed 2022 Strategic Plan
  - Endorsement of New TAC: Data Insights
- Approval of 2022 budget and financial plan
- Approval of outline 2022 calendar of Council meetings
- Council evaluation (Council only meeting):
  - Governance committee has sent out an online survey to all Council members
  - Results were analyzed and are presented in pre-read
  - In meeting (positive) outcomes & suggestions for further improvement discussed. Priorities set will be taken to Governance Committee and translated into an action plan. Progress re-evaluated in Council in 6 months.
- Chair evaluation (Council only meeting):
  - Governance committee has sent out an online survey to all Council members
  - Results were analyzed and are presented in pre-read
  - In meeting (positive) outcomes & suggestions for further improvement discussed.
  - Chair re-appointed for 2022.

1. Opening and Welcome

- Reminder on Chatham House rules and anti-trust guidelines.
- Welcome announcement: 4000 VRFs 2021 target were achieved yesterday.

2. CC22 Minutes

Decisions

- No remarks on minutes, CC22 minutes approved.

- Update on CC22 minutes: Joint Working Group (JWG) between SAC and SLCP commencement next week, with substantive progress to occur in Jan 2022.

3. Governance

Context on updates to SLCP Governance Document

- Memo: Updates to the SLCP Governance Document / SLCP Signatory Charter
- To protect CAF IP, further clarification of earlier assumptions that signatories and stakeholders contributing to the CAF cannot claim ownership of the CAF.
    - Based on advice from SAC's lawyer.
    - Aligned with Signatory Charter (to be updated accordingly).
- Clarification of Counselor role: previously targeted towards harassment and discrimination, propose to widen the scope and use the Counselor as an additional support channel for staff and Council.
- As a 2022 plan priority, the Secretariat suggest establishment of a new Technical Advisory Committee (TAC) on Data Insights.
    - This requires Council approval. Following this approval prior to inclusion in SLCP's Governance document.

Decisions

- Endorsement of minor updates in SLCP Governance Document:
- Chair to inform the outcomes of office bearers position within Council over email, to confirm in CC24 meeting.

4. 2021 Progress Updates

Context

- 2021 Operation & Adoption Update
    - 4000 VRFs
    - 56 countries
    - 69 verifier bodies
    - Over 45 training bodies (TBs)
    - Launched CAF v1.4 (April, 2021)
    - 50+ brands accepting SLCP data
    - Nearly half of signatories reporting savings due to the CAF

5. 2021 Signatory Survey

Context/ Presentation

- Annual Signatory Survey completed, with high participation and very positive outcomes.

6. 2022 Plan

Context/ Presentation/Discussion

- 2022 plan presented by senior managers and executive director, see pre-read.
- High level priorities, see below.
- Key objectives and leading KPIs for each of the areas discussed for:

Converged Assessment.
Collaborative Action.
Improved Working Conditions.

1. CAF
2. Operation/Roll-out
3. Verification Oversight
4. Technology
5. SHE & Comms
6. Data Insights (new)
7. Internal Organization

2022 Strategic Priorities and Themes

1. Industry Adoption

- CAF adoption reaching **8,000+ VRF,** update to v1.5
- Ease of implementation
- Wide applicability, supply chain diversification
- Compatibility with social standards

'Satisfied customers & implementing partners (e.g. AHs)'

2. Unlocking Resources

- Reduce costs / verification (CAF v1.5)
- Avoid audit duplication, increase SLCP acceptance
- Measure savings and start showing redirection of resources
- Partnerships with organizations to improving labor conditions

    'Net cost reduction resulting in more impact'

3. Data Access & Comparability

- Credible & relevant data (CAF v1.5)
- Interpretation of verified data: 'Law Overlay' and value add by AHs (ensure options of choice)
- Start verified assessment data insights workstream

    'SLCP becoming THE source of social & labor data'

4. Organization and Financial Resilience

- Earned income **100%** of core budget, net profit and building up reserves
- Well resourced and flexibly organized team, clarity on roadmaps and communication
- System solutions for daily operation
- Legal confirmation independent governance, formalized organization structure/hosting agreement

'Moving from start-up towards established organization'

Decisions

- In-principle approval of the plan.
- New TAC Data Insights approved.
- Minor amendments to be made and returned to the Council by Friday 17th Dec.
- Final 2022 plan to be posted on Signatory Portal

7. SLCP deep dive: Worker Engagement

Context/ Discussion/ Decisions
- Propose separate session to Worker Engagement deep dive to provide enough time to explore topic extensively by those highly engaged or interested.

8. Collaboration ITC

With Guest Joe Wozniak, ITC

Context/ Discussion

- ITC strategic partner since SLCP program creation. A lot of SLCP success is due to the ITC collaboration.
- ITC is a joint WTO/UN agency working with SMEs to improve their ability to trade in a way which is sustainable and reduces costs and move towards harmonized standards to be more resilient.
- The work of SLCP and its mission and stakeholders is aligned with the ITC strategic priorities and with EU policy. This is apparent since 2017 and has only increased in relevance since then.
    o COVID has increased pressure on SMEs and their resilience. The contribution of SLCP to audit harmonization is a key area of alignment.
    o Sustainability regulation and policy has changed dramatically in recent years. As the EU moves towards a more hands on regulatory position, ITC sees SLCP as a frontrunner in supporting the implementation of incoming policies.
- We have achieved a lot in 2021:
    o ITC IT work with SLCP in the CAF 1.4 and onboarding of ILO/BW
    o Milestone of 4,000 VRFs in 2021, hugely positive
    o Bolstered ITC team in 2021, who will support scaling and moving forward
    o Data insights: published with SLCP and a good precursor for 2022
    o Data map and amfori benchmarking with the BSCI
    o Working with new brands and passive brand hosts on the SLCP sharing module

9. Chair evaluation (Council only session)

Context / Discussion

- Results were analyzed and are presented in pre-read
- In meeting, (positive) outcomes & suggestions for further improvement discussed.

Decisions

- Overall positive outcome for Council evaluation

10. Chair evaluation (Council only session)

Context / Discussion

- Results were analyzed and are presented in pre-read
- In meeting (positive) outcomes & suggestions for further improvement discussed.

Decisions

- Chair re-appointed for 2022.

11. 2022 Plan (continued)

Decisions

- Approval of plan in principle from Council. Minor changes to be made before 17th December and sent to Council for objections (to be raised by latest 23 December).

12. Finance & Budget

Context/discussion

- SLCP Budget 2021 and 2022 financial planning
    - Balance is significantly higher
    - Due to careful budget management and positive adoption for 2021
    - Baseline budget based on 7,000 VRFs
    - Target budget based on 8,000 VRFs

Decisions

- Approval of 2022 budget and financial plan

13. Foresight 2022

Context/ Discussion
- Draft 2022 Council Calendar, see pre-read.

Decisions
- Endorsement: 2022 Council Calendar

14. AOB

Context/ Discussion/ Discussion

- Upcoming thematic Council meeting Audit Firms' perspective (20 Jan) -Rona Starr APSCA guest speaker, Ian Spaulding (Elevate) and Jason Roberts (Sumerra) on a discussion panel
- WE-Tech pilot deep-dive will occur shortly
- Follow us on LinkedIn
- Reminder SLCP signatory portal