**SOCIAL & LABOR**
**CONVERGENCE**

## CC29 Minutes

CC29 6 December– 13.00-15.00 pm CET (Day 1) & 7 December 15.30-17.30 pm CET (Day 2)
Online (Zoom)

Caucus attendance
Brands              2 members
Manufacturers       3 members
Standard Holders    1 members
Audit Firms         1 member
Civil Society       1 member
Expert Seats        2 members

| Day 1 | | | |
|---|---|---|---|
| Agenda item | Timing CET | Inputs | Ask to Council |
| 1. Opening & Welcome | 13.00-13.20 | See Operating Procedures on second page of this agenda<br><br>*Icebreaker* | • Be aware of 'SLCP Rules of Engagement' (including Anti-Trust & Chatham House Rules)<br>• Confirm/amend agenda |
| 2. Minutes CC28 | 13.20-13.25 | 2. Draft minutes CC28 | • Approve/amend minutes |
| 3. Operational updates | 13.25-13.55 | 3A. 2022 Progress update<br>3B. 2022 Financial Report<br>3C. Initial results 2022 Signatory survey | • Be updated on adoption and operational progress.<br>• Be updated budget progress.<br>• Option for feedback and Q&A. |
| 4. Check in General Assembly | 13.55-14.10 | 4. General Assembly Agenda | • Be aware of GA goal and program<br>• Option for feedback and Q&A<br>• Have clarity on own role as Council member (including co-facilitating break-out) |
| 5. 2023 Plans (1) | 14.10-14.50 | 5A. Final draft 2023 plan covering:<br>• General priorities<br>• Budget<br>Operational areas (key objectives & Lead KPIs):<br>   2. Ops/Roll-out<br>   4. Tech<br>   6. Data Insights<br>5B. Final draft 2023 budget | • Discussion: Provide feedback on final draft 2023 plan<br>• Approve/amend 2023 plans & budget |
| 6. Wrap up day 1 | 14.50-15.00 | *Summary decisions & key take aways*<br>*Check in on agenda day 2* | • Be reminded on key points days 1<br>• Confirm agenda day 2. |

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| Day 2 | | | |
|---|---|---|---|
| Agenda item | Timing CET | Inputs | Ask to Council |
| 7. Welcome and opening | 15.00-15.05 | *See item 1* | |
| 8. SAC-SLCP Relationship and Separation | 15.05-15.15 | *Verbal updates on progress SAC-SLCP Joint Working Group* | • Be aware of progress made.<br>• Option for Q&A. |
| 9. New 5Y strategic plan | 15.15-15.30 | 9. New 5Y Strat Plan (2024-2028) | • Be aware of progress made in developing scope and 2023 workplan.<br>• Option for Q&A. |
| 10. 2023 Plans continued (2) | 15.30-16.30 | *See agenda item 5.*<br>Operational areas (key objectives & Lead KPIs:<br>    1. CAF<br>    3. Verification Oversight<br>    5. Comms & SHE<br>    7. Int. Org | |
| 11. Wrap up day 2 – Closure CC29 | 16.30-16.55 | *Summary decisions & key take aways Council members to share one personal highlight for 2022 + one hope/aspiration for 2023* | • Be aware of discussion & decisions CC29 and next steps. |
| 13. AoB & Reminders (Council members to read for themselves) | 16.55-17.00 | *Reminders:*<br>• *Follow us on LinkedIn.*<br>• *Follow us on Twitter - @slconvergence*<br>*Reminder - Council engagement on SLCP Signatory Portal.* | *Support SLCP via social media* |

## CC29 Key Takeaways and Decisions Summary

- o CC28 minutes approved.
- o On track to meet baseline adoption target of 7,000 VRFs in 2022.
- o 2022 Financial report positive outlook resulting in net surplus EoY.
- o 2022 Signatory Survey results presentation: initial results show positive appreciation of Program in general.
- o General Assembly will take place 14th December, with Council members playing an active supporting role in the breakout rooms.
- o Approval of 2023 Plan
- o Approval of 2023 Budget
- o Development of New 5 Year Strategic Plan workplan is progressing well, with support from an external consultancy to help scope/design the strategy development process. Implementation of the workplan will commence January 2023 (with kick-off analysis with the Council Strategy Committee).

- DAY 1 -

1. **Opening and Welcome**
   - Reminder on Chatham House rules and anti-trust guidelines.
   - One key decision to be made during CC29 - approval of 2023 Strategic Plan.

2. **CC28 Minutes**

*Decisions*
   - CC28 minutes approved.

3. **Operational Updates**

*Context/ Discussion*

   - 2022 Progress updates.
     - 6210 VRFs in 2022, over 90% to target at 7,000. Budget was based on the 7,000 baseline target.
       - This includes Better Work facilities in the total VRF count.
     - Deliverables:
       - 62 brands and standard holders accepting SLCP verified data.
       - Launched CAFv1.5 (Nov 2022).
       - Training, helpdesk and e-learning updates.
       - VOO evaluation.
       - Comms & outreach:
         - Presentations, case studies, release new comm materials, blog/ position papers.
     - In progress:
       - Full virtual verification protocol expected Nov 2022.
       - Increasing compatibility with MSI/ Standard Holders (delayed).
       - Legal registration as separate entity.
       - Recruiting additional Accredited Hosts (AHs).
   - 2022 Financial report:
     - 2022 budget -EoY (M 1-10 + 11-12 projection):
       - Finances are generally healthy, which is crucial to enable separation from SAC in 2024.
       - Simple profit 296K USD (11%).
       - Earned income vs expenses 106% (102% in 2021).
       - 500K USD balance - Operational carry forward to 2023 400K (100K USD to reserve).
       - Council acknowledged that this is a significant achievement.
   - 2022 Signatory Survey – initial results:
     - In general high response and positive outcomes. Similar/better than previous year.
     - 128 respondents: 55% signatory base and broadly representative including 31 brand, 2 manufacturer.
     - Understanding of SLCP generally high understanding, with potential for improved understanding of SLCP / Better Work partnership in 2023.

- o Attitudes to SLCP generally positive and similar to 2021.
- o 92% signatories now using the CAF to some extent (above target of 90%).

*Decisions*
- Senior Comms & SHE Manager to circulate the Signatory Survey result slides to Council.

## 4. Check-In General Assembly

*Context / Discussion*
- As outlined in the agenda for the General Assembly (14th Dec) the Secretariat needs Council support for breakout sessions as facilitators.

*Decisions*

- Proposal agreed for designated Council members to support the Secretariat.

## 5. 2023 Plans

*Context / Discussion*
- Final draft 2023 Strategic Plan.
- 6 Priorities based on our 4 key Strategic Aims, as presented in CC29.

*Area 1: Converged Assessment Framework*
Objectives:
1. Optimize and stabilize the Data Collection Tool in the medium term through launch (CAFv1.6).
2. Execute the groundwork needed for expanded use of the CAF beyond 2023 (Worker Engagement Technology improvements, and looking ahead to future versions of tool for adjacent sectors).
3. CAF data: Increase technical understanding and ease CAF onboarding to drive data insights, value added services and enhanced adoption (develop standardized tools, processes).

*Area 2: Operations/ Country Roll-Out*
- Objectives
  1. Solidify adoption, with 11K VRFs.
  2. Offer range of training options to meet theneeds of SMEs and Tier-2 facilitates.
  3. Enhance support (inc. automation) and efficiency, ensuring that requests are resolved within 48 hours.

*Area 3: Verification Oversight*
1. Objectives Facilitate acceptance of SLCP VO process, create actionable data (enhanced collaboration and full alignment of SLCP with APSCA).
2. Continue long-term Sumerra partnership, with focus on boosting efficiency and effectiveness of VO and QA activities (via predictive analytics project with Sumerra to find red flags at scale).

3. Further enhance credibility of VO & QA activities (launch of processes and Committee to address VOO investigations of unethical practices).
- Discussion
    - Council notes this is a highly important area of work as SLCP grows.
    - Desktop reviews remain important even as we explore predictive analytics, as are the on-site Quality Assurance (QA) activities.

## *Area 4: Technology*
- Objectives
1. Increased Accredited Host engagement with SLCP's eco-system (existing AHs retained and one new Passive host added).
2. Enhanced system processes for smooth delivery and usable of the ecosystem (with a roadmap for gateway system improvements).
3. Increased credibility of SLCP data through gateway system checks (with continued review of the data points to ensure that the additional ones which need validation and checks are implemented for CAFv1.6).

## *Area 5: Comms & Stakeholder Engagement*
- Objectives
1. Adoption: Increased adoption through new brands and standard holders implementing and accepting SLCP.
2. Signatory engagement: Securing signatory support for next 5-year Strategic Plan and for SLCP to become an independent organization.
3. Communications: Increased trust and confidence in SLCP's data quality and ability to successfully redirect resources (through a robust comms strategy which features a variety of products such as case studies and videos).
4. Policy: SLCP is recognized as an accelerator and solution provider for policy and legislative developments.

## *Area 6: Data Insights*
- Objectives
1. Enhance SLCP & ITC data analytics & reporting (more user-friendly, dashboard).
2. Facilitate and promote SLCP verified data & data insights with trusted third parties for industry-wide trend analysis (expanded third party research partnerships).
3. Demonstrate usefulness of SLCP verified data & data insights in context of policy developments (whereby SLCP data is recognized as credible source of data to facilitate supply chain policy & legislative implementation.

## *Area 7: Internal Organization*
Objectives:
1. Further develop a well-resourced and financially healthy organization with 2-3 months surplus End of Year.
2. Maintain a professional, effective, and growing team where staff can drive SLCP's progress and flourish, >70% staff retention rate.
3. Ensure good multi-stakeholder governance, prepare for legal independence with SLCP as a registered as Foundation in NL for operation in 2024.
4. Leverage partnerships, renewal and expansion agreement with strategic partners ITC and BW.

5. Develop new 5Y Strategic Plan which is finalized and supported by Signatories in vote.

*2023 Budget Proposal*

*Context / Discussion*
- o Revenue 3,996 K USD, Expenses 3,716 K USD = simple profit 280 K USD (7%).
- o 680K USD position at end of year, 300K put to reserve, 380K operational carry forward to 2024.
- o Significant funding towards additional key focus projects (adoption, CAFv1.6, Independence, New 5Y Strategic Plan), while maintaining a measured and robust budget.

*Decision*
- 2023 Strategic Plan approved by Council.
- 2023 budget approved.


- DAY 2 -

## 6.  Opening and Welcome
- Reminder on Chatham House rules and anti-trust guidelines.

## 7. SAC-SLCP JWG and North Star

*Context / Discussion/ Discussion*

- Ongoing dialogue with JWG, working well so far.
- SAC Board has voted to agree the North Star (SLCP independence).
- For SLCP, next step is seeking expert advice on establishing a suitable organization and providing advice on the tax and transition of assets and funds.
- A short joint comms statement is being worked on which both organizations can send in a coordinated way to signatories. SLCP hopes this occurs before General Assembly so that we can announce to signatories.
- In 2023, there will still be an official vote on the separation from SAC/ SLCP independence from the SAC Board. There is progress, but lots of work to be done from the SAC side.
- Council pleased with the progress.

## 6. New 5Y Strategic Plan 2024-2028

*Context*
- Preparatory work ongoing during Q4 2022 by ED and Strategy Committee.
- Aiming for have a work plan ready by end 2022, so we can start execution from Jan 2023.
- Progress:
  - o Strategy Committee call (Nov)
  - o Prep work on Scope & Workplan 2023, supported by The Terrace
    - Survey & Interviews Council members, ITC & BW and MT

- - Draft Workplan to be discussed with Strat Committee 13 Dec
    - Workplan Finalized 16-20 December
  - Jan 2023: begin implementation (with a kick-off analysis with the Strategy Committee)

*Discussion/ Decision*
- N/A


## 13. AOB & Reminders

*Context / Discussion/ Discussion*

- A couple of vacancies now open, Council to share with their networks and on LinkedIn.
- Council to receive all Internal News briefs from January.
- First SLCP Factsheet (Data Insights) published today on SMEs.