Draft Minutes CC3– 25 June 2019
In Person Meeting, Barcelona

Participants:

<u>Council members present:</u>

1	Pierre Hupperts	independent Chair SLCP Council
2	Abhishek Bansal	Arvind Limited
3	Melina Tse	Esquel Enterprises Limited
4	Aleix Busquets Gonzalez	C&A
5	Ninh Trinh	Target
6	Tamar Hoek (by Zoom)	Solidaridad
7	Steve Harris	Independent Expert
8	Anna Burger	Independent Expert
9	Baptiste Carriere-Pradal	SAC
10	Nikhil Hirdaramani	Hirdaramani Group

Apologies

1	Darren Chastain	Gap Inc.
2	Darrell Doren	ELEVATE

<u>SLCP Secretariat</u>

1	Janet Mensink
2	Holly Menezes

Agenda item	Pre-reads	Ask to CC
1. Opening and Welcome	*N/A*	
2. Minutes CC2	2. Draft minutes CC2	
3. Governance: Council 2019+	N/A	• Outcome legal check of Governance Document • Remaining seats in Council • FYI: Communication announcement new Council members to signatories and stakeholders: 23-25 April done during webinar • FYI: SLCP 2018 annual report sent to signatories 17 June
4. SLCP Operation	4. SLCP Operation progress updates: check in on expected adoption figures	• Be updated on progress 2019 operation and challenges on meeting adoption targets • Provide feedback on proposed next steps and/or add suggestions

5. 2019 Budget	5. Budget update 2019 (and further)	• Be aware of financial situation: opportunities and challenges, particularly potential lower adoption figures • Check in on mitigation strategies. Donations, grants, loans

6. SLCP organizational set up	6. Memo 2020 organization and further	• Be updated on 2019 Service Level Agreement (SLA) negotiation with SAC
		• Set direction for 2020 organization scenarios:
		
		   o Be informed on outcomes interviews and SWOT scenarios for future organization
		   o Provide feedback on recommendations WG
		   o Take high level decision preferred scenario

7. Risk register	7. Updated Risk Register SLCP	Discussion if time allows. Otherwise feedback by email to Pierre and Janet and to be scheduled for Hong Kong meeting

8. SLCP Council meetings and outreach		*Council meetings 2019*
		
		• Be aware of meetings (should be in your e- calendars already). Call out:
		
		o 18+19 September HongKong *Communication reminders:*
		
		   Bank of senior leadership quotes: can each Council member submit quotes for general use in presentations/ Info Pack etc.?
		   Council photos & bios: Would Council members be prepared to provide a photo and a short bio for use on SLCP website?
		
		Stakeholder engagement
		
		   Calendar of conferences & events: can each Council member commit to speaking on behalf of SLCP at one event this year?

0. Summary key decisions

- SLCP Governance document: Short term: Secretariat to issue governance document on Connect with disclaimer that it will be further restructured. Medium term: Secretariat to restructure according to lawyers advice. Governance Committee to review document & to transfer operational elements to a separate document
- Governance Committee to explore the ideas for intergovernmental seats that were discussed during the meeting and to report back to Council on next steps
- Adoption targets 2019: Follow up with brands and other stakeholders (incl manufacturers) that have not nominated any facilities for 2019 operations. Refer to obligation in Charter. Council support required on ad-hoc basis (request from Secretariat)
- Financials: Discussions with SAC to continue to agree 2020 arrangements on overhead charge to SLCP (as part of broader discussion on deliverables under service contract, see item 6.).
- Steer and update financials according to adoption scenarios. Mitigation plan to be further elaborated for potential deficit by end of year with grant funding and donations. Council support required.
- SLCP (future) organization set up:
    - Janet and Aleix to meet SAC Chair tomorrow (26 June)
    - Arrange formal follow-up meeting with SAC; agree delegation on both sides
    - Following meeting, agree agreements (mind separation of 3 'buckets' (shared

vision/adoption, AH and service provider) with SAC for rest of 2019 and 2020
- o Identify small steps that could be taken to improve perception of independence (e.g. change SLCP email addresses)
- Risk register SLCP:
  - o Within 'adoption' topic, add something on the internal change processes for signatories to the mitigations
  - o Update the risk register with some of the additional mitigations discussed in Council meeting
  - o Add RAG rating to risk register
  - o Council to review plans key strategic areas (developed by Senior Managers) at next in-person meeting this year
- Reschedule in-person Council meeting to November
- Keep Hong Kong as a location; Ninh and Janet to liaise on dates and Janet to send a doodle
- Maintain planned virtual (webinar) Council meeting on 22 August and add a virtual meeting in September
- Holly to circulate events calendar to Council members
- Council members who have not yet submitted bios or quotes to do so as soon as possible
- Add 'honesty of data' to next Council meeting agenda

###
1. Opening and Welcome
- Welcome by Pierre to third Council meeting of the year & second in-person meeting
- Reminder that there is SLCP signatory meeting this afternoon
- Reconfirmation on SLCP rules of engagement, including anti-trust guidelines
- Attendance check – all Council members present except Darren and Darrell: quorum to continue
- All participants agreed to proposed agenda

2. Minutes CC2
- Minutes CC2 approved

3. Governance: Council 2019+

Context
- Governance document: As agreed at last Council meeting, governance document was shared informally with a lawyer from Signatory base for their feedback. Their advice has now been received, with the main comment being to remove all operational elements from the document to ensure it covers only the legal essentials and nothing more. Operational aspects should be covered in a separate document.
- Intergovernmental seats: Still looking to fill intergovernmental seats. Ask to the Council: do they have any names/ contacts.
- 2018 Annual Report: Has been issued.

Decisions
- Short term: Secretariat to issue governance document on Connect with disclaimer that it will be further restructured.
- Medium term: Secretariat to restructure according to lawyers advice. Governance Committee to review document & to transfer operational elements to a separate document
- Governance Committee to explore the ideas for intergovernmental seats that were discussed during the meeting and to report back to Council on next steps

4. SLCP Operation Update

Context
- Operations launched on June 06. Launch involved release of updated CAF; launch events in three countries (with over 800 attendees); release of e-learning package; press release & coverage; three Accredited Host platforms going live; and already 25 approved Verifier Bodies.
- Calculations based on facility nominations received to-date suggests challenge with reaching our 2019 target of 1,250 verified assessments (VRF).

Decisions
- Follow up with brands and other stakeholders (incl manufacturers) that have not nominated any facilities for 2019 operations. Refer to obligation in Charter. Council support required on ad-hoc basis (request from Secretariat)

5. 2019 Budget (15 min)

Context
- Financial updates presented in pre-read.
- Running budget 2019 more or less at par: 18% budget spent (without overhead costs calculated in) for first 4 months (30%).
- In light of the current scenarios that 2019 adoption figures may not reach their target, the budget profile has been reviewed to reflect the impact this would have on the 2019 budget.
- We may have a gap by the end of the year for which a mitigation plan would be needed.

Decisions
- Discussions with SAC to continue to agree 2020 arrangements on overhead charge to SLCP (as part of broader discussion on deliverables under service contract, see item 6.).
- Steer and update financials according to adoption scenarios. Mitigation plan to be further elaborated for potential deficit by end of year with grant funding and donations. Council support required.

6. SLCP Organizational Set-Up

Context
- Working Group (Pierre, Darren, Aleix) has been looking into organizational set-up options since last Council meeting. They have conducted interviews with nine stakeholders and conducted a SWOT analysis of the scenarios under consideration. Results show no clear winner (i.e. all have cons). However the Working Group's final recommendation is that long-term it would be more beneficial for SLCP to be an independent organization. Questions remain about whether this should be from 2020 or 2021 onwards; this decision has big impact on next steps. Working Group is now seeking feedback from Council on 1) process 2) proposal and 3) timeframe.

Decisions
- Janet and Aleix to meet SAC Chair tomorrow (26 June) & debrief Council afterwards
- Arrange formal follow-up meeting with SAC; agree delegation on both sides
- Following meeting, agree agreements (mind separation of 3 'buckets' (shared vision/adoption, AH and service provider) with SAC for rest of 2019 and 2020
- Identify small steps that could be taken to improve perception of independence (e.g. change SLCP email addresses)

7. Risk Register

Context
- Risk register was created as part of the 5 Year Strat Plan October 2018
- In first Council meeting it was agreed that Strategic Committee (Pierre, Aleix, Abhishek) should

review and update risk register along with input from Secretariat.
- The updated risk register has now been circulated and Council are asked to provide their feedback.

Decisions
- Within 'adoption' topic, add something on the internal change processes for signatories to the mitigations
- Update the risk register with some of the additional mitigations discussed in Council meeting
- Add RAG rating to risk register
- Council to review plans key strategic areas (developed by Senior Managers) at next in-person meeting this year

8. SLCP Council meetings and outreach

Context
- Council asked to decide whether the planned in-person Council meeting in Hong Kong in September is still required, given that it will not now be necessary to make a decision about the future organizational set-up at this stage.
- Council also asked for ongoing comms & engagement support: to submit missing bios for SLCP website and to speak on behalf of SLCP at events where possible.

Decisions
- Reschedule in-person Council meeting to November
- Keep Hong Kong as a location; Ninh and Janet to liaise on dates and Janet to send a doodle
- Maintain planned virtual (webinar) Council meeting on 22 August and add a virtual meeting in September
- Holly to circulate events calendar to Council members
- Council members who have not yet submitted bios or quotes to do so as soon as possible

9. AOB

Decisions
- Add 'honesty of data' to next Council meeting agenda