

Draft Minutes CC4– 03 September 2019
Webinar 16:30-18:00 CET

Participants:

Council members present:

- | | | |
|---|-------------------------|---------------------------------|
| 1 | Pierre Hupperts | Independent Chair, SLCP Council |
| 2 | Melina Tse | Esquel Enterprises Limited |
| 3 | Aleix Busquets Gonzalez | C&A |
| 4 | Ninh Trinh | Target |
| 5 | Steve Harris | Expert |
| 6 | Anna Burger | Expert |
| 7 | Darrell Doren | ELEVATE |
| 8 | Nikhil Hirdaramani | Hirdaramani Group |

Apologies

- | | | |
|---|--------------------------|----------------|
| 1 | Tamar Hoek | Solidaridad |
| 2 | Darren Chastain | Gap Inc. |
| 3 | Baptiste Carriere-Pradal | SAC |
| 4 | Abhishek Bansal | Arvind Limited |

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	
2. Minutes CC3	2. Draft minutes CC3	<ul style="list-style-type: none"> • Approve/amend minutes
3. Governance <ul style="list-style-type: none"> • By-laws and operational policy&proceures • Technical committees • D&O Insurance • Expert seat 	3. Governance items (Gov documents, TAC, D&O Ins, Expert seat) 3A. SLCP Governance Document 2019, V5.3- 1 Aug	<ul style="list-style-type: none"> • Approve/amend V5.3 as SLCP Governance documents (1. By-laws; 2. Operational Policy). for sharing with Signatories (Connect platform) • Recruit Council member with legal background in Expert Seat • FYI: D&O insurance Council members • Approve/amend proposal establishment an additional Technical Committee for Sector Expansion

4.SLCP future organizational set up	4. Memo Chair on future organization set up +verbal updates	<ul style="list-style-type: none"> • Be updated on discussions 2019 SAC Services • Set direction for 2021 organization and agree on next steps
5. 2019 Budget	5. Budget update 2019 (and further)	<ul style="list-style-type: none"> • Be aware of financial situation: opportunities and challenges
6. SLCP program updates	6. Progress signatories support <i>Verbal update including reference SLCP in CCC report Social Audits</i>	<ul style="list-style-type: none"> • Be updated on revised expected income through Signatory Charter Fees and additional signatory contributions. • Views/ thoughts on how and whether to push certain signatory groups for payment of Charter Fee. • Awareness on changes to SLCP signatory list since March 2019 • FYI: SLCP Referenced CCC social audit report
7. SLCP Operation	7. SLCP Operation progress updates: adoption 2019 Operation	<ul style="list-style-type: none"> • Be aware on challenges with adoption
8. SLCP Council meetings and outreach (5 min)	8. Updated 2019 schedule	<p><i>Council meetings 2019</i></p> <ul style="list-style-type: none"> • Be aware of meetings (should be in your e-calendars already). Call out: <ul style="list-style-type: none"> ○ Additional webinar 24 September ○ TBC additional webinar end October/early November ○ 9+10 December place TBC

0. Summary key decisions

- V5.3 Governance Documents (A. By-laws and B. Operational Policy) approved and can now be published on Connect platform
- New Technical Advisory Committee TAC on Sector Expansion approved by Council
- Council to review any decision by new TAC before pilot/ roll-out in adjacent sectors begins (at December in-person Council meeting)
- Seek individual with legal expertise to fill final Council expert seat – Governance Committee to begin identifying and approaching candidates with a view to selecting someone for approval by the Council
- Proceed with small steps that support independent governance of SLCP
- Quickly seek lawyer advice on legal aspects/limitations future scenario
- Discuss with SAC ED and Board strategic long term collaboration (including future scenario's organization set-up) and operational-short term services, particularly the following issues: 1) budget for 2020 – overhead fee; 2) service quality 2019 and 2020
- Include budget and adoption on the agenda of next two Council meetings to monitor closely and take action if needed.
- Council to send a letter to signatories that haven't paid.
- Secretariat to follow up with Council brand representatives on outreach to leading brands that have not yet paid
- Secretariat to develop plan for removing signatories from list in case of non-payment
- Coordinate closely with brands to match nominations with facility registrations and adoption targets. Finalize plans (location) for in-person CC7 December

- Secretariat to send across schedule CC webinars and meetings remainder 2019 asap
- Confirmed agenda CC5 including ILO/ BW presentation

1. Opening and Welcome

- Chair welcomed Council members & Secretariat
- Chair confirmed that we have quorum – 6 voting members present and absent members have been and will be asked to submit views via email (some input received upfront and shared under respective agenda item)
- Chair reminded Council members that the meeting will follow anti-trust rules

2. Minutes CC3

- Minutes CC3 approved

3. Governance:

Context

- **By-laws and operational policy & procedures:** Following legal advice, by-laws have been separated out from operational policy into a two-part document. All earlier Council feedback had been integrated into draft document and was approved in CC2. The restructured draft (V5.3) – no content change- was circulated to Council Governance Committee and to Council members as pre-read ahead of CC4. Council members are now asked for final approval of the document.
- **Technical Committees:** These committees have an advisory role to the Secretariat (if operational) and/ or Council (if strategic). In addition to the six TACs established in CC1, Executive Director now proposes establishing small Sector Expansion TAC to prepare for this topic. Council asked for approval.
- **D&O Insurance:** Process underway to secure D&O insurance for Council members from SAC
- **Expert seat:** Due to ongoing need for legal advice on several issues (including future governance structure), proposal to fill final independent seat with someone with a legal background

Decisions

- V5.3 Governance Documents (A. By-laws and B. Operational Policy) approved and can now be published on Connect platform
- New Technical Advisory Committee TAC on Sector Expansion approved by Council
- Council to review any decision by new TAC before pilot/ roll-out in adjacent sectors begins (at December in-person Council meeting)
- Seek individual with legal expertise to fill final Council expert seat – Governance Committee to begin identifying and approaching candidates with a view to selecting someone for approval by the Council

4. SLCP Future Organizational Set-Up

Context

Ongoing work to explore future organizational set-up scenarios. After Barcelona Council meeting, Working Group were tasked to explore in further detail the three options proposed: 1A. Remain hosted under SAC, 1B. Hosted with another organization, 2. Independent organization. Working Group has updated options paper as a result and circulated this to Council members in advance of CC4. The options paper stresses the shared vision between SAC and SLCP. In line with CC3, timeline for alternative option than today would be 2021 at the earliest.

Decisions

- Proceed with small steps that support independent governance of SLCP.
- Quickly seek lawyer advice on legal aspects/limitations future scenario
- Discuss with SAC ED and Board strategic long term collaboration (including future scenario's organization set-up) and operational-short term services, particularly the following issues: 1) budget for 2020 – overhead fee; 2) service quality 2019 and 2020

5. 2019 Budget (15 min)

Context

Executive Director has updated budget forecasts based on May spend / income figures from SAC. Spend-to-date is low for the time of year but this is due to Verification Oversight costs falling in second half of the year. Brand contributions have (almost) all been received which has helped secure budget. Updated projections show surplus if we reach 100% of 2019 target but a deficit if we reach just 75% or 50%.

Decisions

- Include budget (and adoption) on the agenda of next two Council meetings to monitor closely and take action if needed.

6. SLCP Program Updates

Context

Update on current signatory charter fees and on signatory drop-outs/ sign-ups. A high number of audit firms have signed up since the start of 2019 operations. A small number of brands have dropped out. Manufacturers and civil society groups have been reluctant to pay their signatory fees or non-responsive. Council asked for advice on approach to take to this – should we remove those who don't pay from our signatory list?

If signatories do not pay, they will be removed from the signatory list

Decisions

- Council to send a letter to signatories that haven't paid
- Secretariat to follow up with Council brand representatives on outreach to leading brands that have not yet paid
- Secretariat to develop plan for removing signatories from list in case of non-payment

7. SLCP Operation

Context

The number of Gateway facility accounts in China is on-track but India is behind schedule. If this continues we will come in below the target of 1,250 verified assessments. Extra effort is already being made to engage facilities in India. More brand commitment & support is required. Council asked for support on additional measures proposed to secure more brand commitment.

Decisions

- Coordinate closely with brands to match nominations with facility registrations and adoption targets.

8. SLCP Council Meetings and Outreach

Context

Proposed planning for future meetings:

CC5 – 26 September: Planning on 2020 operations & update on budget + 2019 operations.

Potentially ILO/ Better Work to do presentation if Council agrees.

CC6 – 7 November: Update on budget + 2019 operations

CC7 – 9-10 December: location TBC but potentially Amsterdam

Decisions

- Pierre and Janet to finalize plans (location) for in-person CC7 December
- Janet to send across schedule CC webinars and meetings remainder 2019 asap
- Janet to confirm agenda CC5 including ILO/ BW presentation