Social & Labor Convergence Program (SLCP)

Converged Assessment. Collaborative Action. Improved Working Conditions.

> SLCP Signatory Webinar June 2021



SLCP Meeting Ground Rules

In line with the Social & Labor Convergence Program (SLCP) "rules of engagement", we all commit to the following practices to ensure high quality interactions over the course of meetings/webinars and we:

- Have authentic, trust-based and respectful conversations
- Assume good intentions, listen to other opinions and are open to learning from others
- Are aware and sensitive to the tension between open dialogue and efficient use of time and offer additive contributions to the discussion.
- Operate under Consensus
- Observe Chatham House Rules
- Follow Anti-trust Guidelines

Find the link to the SLCP governance document on the Signatory Portal <u>here</u>.





1. Introduction

- Update from Chair
- New Council Members
- New SLCP Team Members
- 2. Looking Back at 2020 A Year in Review
 - Annual Report
 - Learning & Evaluation Report
- 3. Where Are We Now Check in Q2 2021
 - Update on collaboration with Better Work Law Overlays and launch in Bangladesh, Indonesia and Vietnam
 - 2021 Operations & Roll-Out
 - Updates on Adoption
 - Verification Oversight & Quality Assurance
 - Data Hosting & Sharing System
- 4. Updates
 - New & Updated Resources
 - Upcoming SLCP Webinars
- 5. Q&A









Introduction

Jonathan Obermeister, Independent Chair of SLCP Janet Mensink, SLCP Executive Director

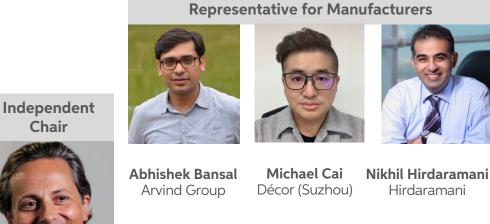
⁷ New SLCP Council & Team Members



New Council Members







Representative for Brands/Retailers



Mary Bean

Columbia Sportswear



Mayank Kaushik

Inditex

Expert Seats



Ninh Trinh **Target Corporation**



Chair

Jonathan Obermeister

Rep for MSIs



Jeremy Lardeau Sustainable Apparel Coalition



Rep for

Audit Firms

Margot Sfeir ELEVATE

Tamar Hoek Solidaridad

Rep for Civil

Society



Dan Danielsen

Steve Harris









Mary Bean

Representative for Brands & Retailers

At Columbia Sportswear, Mary drives the Social Responsibility Program improvement, which includes adoption of SLCP. Mary has been highly involved since SLCP's inception, being a member of the SLCP Project Management Team as well as co-chair of the Stakeholder **Engagement and Communications** Working Group (now Technical Committee). Mary has over 20 years' experience in the Apparel and Footwear Industry, with over 12 years focused on supply chain social responsibility. She holds an MBA in International Business.





Michael Cai

Representative for Manufacturers & Suppliers

Michael is the Director of **Operations & Supply Chain at** Décor (Suzhou) Co. Limited, managing a sophisticated supply chain at a global scale. He's a veteran in the textile and garment industry since 1998, with extensive experience in merchandising, product development, operations and supply chain management, responsible sourcing & sustainability. Michael is passionate, open-minded and eager to contribute his part for a better planet for all.





Mayank Kaushik

Representative for Brands & Retailers

Mayank is a Senior Sustainability Lead at Inditex, working for the last 14 years in the Company, with overall experience of more than 19 years in the sustainability domain. Within Inditex, he has been leading key strategic responsibilities (both regional and global) and works extensively on engagement with various Stakeholders, including Trade Unions, NGOs. MSIs and Financial Institutions. He is currently representing Inditex at various International forums, including Better Work, ILO, SAC, ETI and Industry Summit. Prior to the same, Mayank has worked at key positions in IKEA and SGS.



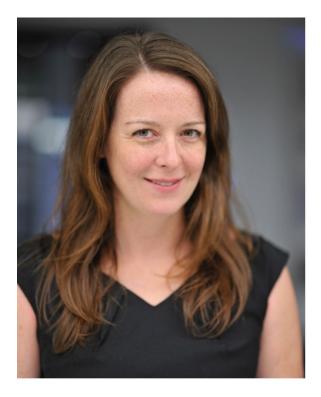


Jeremy Lardeau

Representative for MSIs & Standard Holders

Jeremy Lardeau is the VP of the Higg Index at the SAC. As part of the leadership team, he oversees the strategic direction and development of the Higg Index suite of tools. Before joining SAC, Jeremy was Senior Director of Sustainability Analytics at Nike Inc., where he led sustainability reporting, performance management, data products, and reporting. Prior to Nike, Jeremy was a manager with PricewaterhouseCoopers' sustainability practice, successively working out of the Paris, Mexico City, and San Francisco offices.





Margot Sfeir

Representative for Audit Firms & Service Providers

As Director of Client Services at ELEVATE, Margot co-leads a global account management team, supporting brands and retailers in the development, strategy, implementation and monitoring of global Responsible Sourcing Programs. Prior to joining ELEVATE, Margot was Director of Compliance and Social Responsibility at J.Crew, overseeing development and implementation of their social responsibility and compliance programs. Margot is a graduate of The University of Chicago, with an honors degree in Economics.



New SLCP Team Members



New SLCP Team Members



Allison Fite Verification Oversight Support



Urtty Majumder Operations Support



Thomas Mason Coordinator



Dennis van Bregt Senior Manager Technology & Data Insights





2020 – A Year in Review

Janet Mensink, SLCP Executive Director



Annual Report



Overview of the Annual Report

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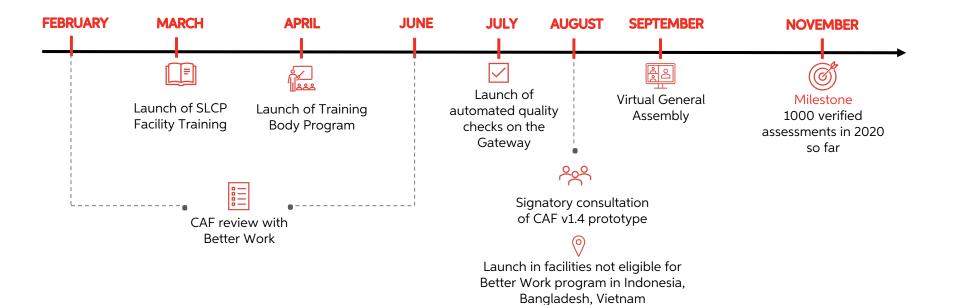
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View the report <u>here</u>.



Timeline of 2020 Milestones





Scaling Operations in 2020

Implementation of the Converged Assessment Framework (CAF) December 29, 2020





Location of facilities with profiles in the Gateway:

China (57%) & Taiwan (3%), India (11%), Turkey (7%), Sri Lanka (5%), Vietnam (5%), Bangladesh (1%), Portugal, Guatemala, Indonesia, Peru, USA, Thailand, Philippines, Mauritius, Morocco, Romania, Mexico, Tunisia, South Korea, Kenya.

11,392 unique assessment views on Gateway (8 views per assessment). Excludes sharing of assessments via Accredited Hosts.





2020 Progress Against Strategic Aims



1455 verified assessments completed in 2020.





signatories using the CAF instead of proprietary tools

Data Access & Comparability

2.1 average shares per verified assessment

Financial Resilience

2020 budget based on 47% earned income. vs 15% in 2019

Over **2500** facilities registered in the **SLCP** Gateway



3.9-4.3 M USD unlocked through use of the CAF

Potential of

Strong network of Accredited Hosts



Target of 90% of 2021 budget to be based on earned income



41 brands & organizations publicly committed to accepting SLCP verified data

Over **70%** of signatories have a plan in place to track & redeploy savings



Development of CAF v1.4 with Better Work





Learning & Evaluation Report



Overview of the Learning & Evaluation Report

Report Contents

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View the report <u>here</u>.





2019 & 2020:

Focus on adoption in the apparel & footwear sectors

2021 & Ahead:

Looking at apparel, footwear and beyond

42%

16%

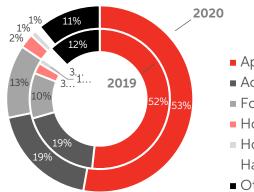
9%

9%

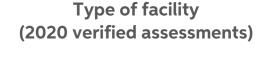
1%

4%

Sector coverage over time 2019 vs. 2020



- Apparel
- Accessories
- Footwear
- Home Textiles
- Home Furnishings Hard Goods
- Other

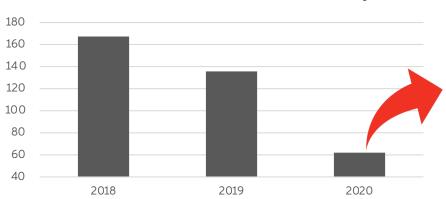


 Sewing or Final Product Assembly

- Packaging
- Printing or Dyeing
- Footwear / Leather goods
 Trim
-
- Materials Supplier

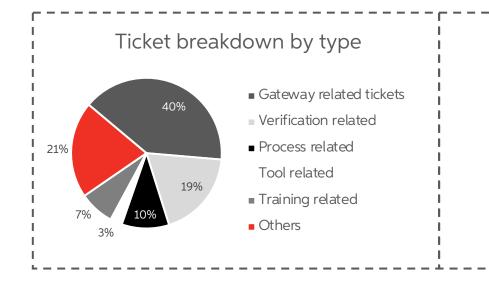






Average time for facility to complete assessment and have it verified (in days)

The reduction suggests the assessment process may have become easier for facilities over time. This may be due to familiarity with the tool, improved FAQs, increased training support, and increased Verifier availability.

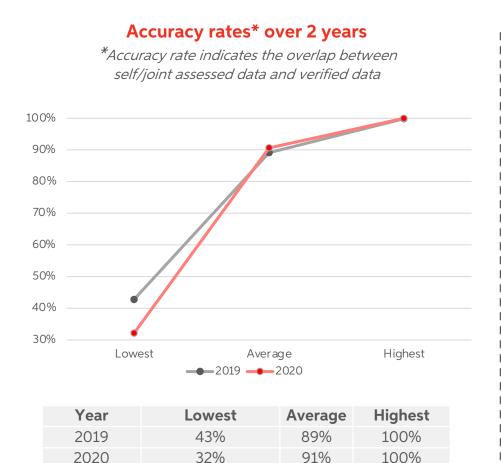


Tickets per verified assessment

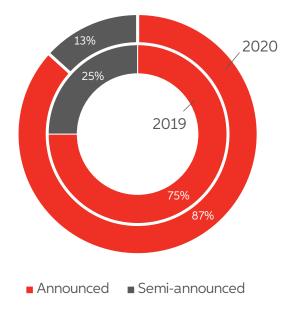
2019 - 2.5 2020 - 1.6





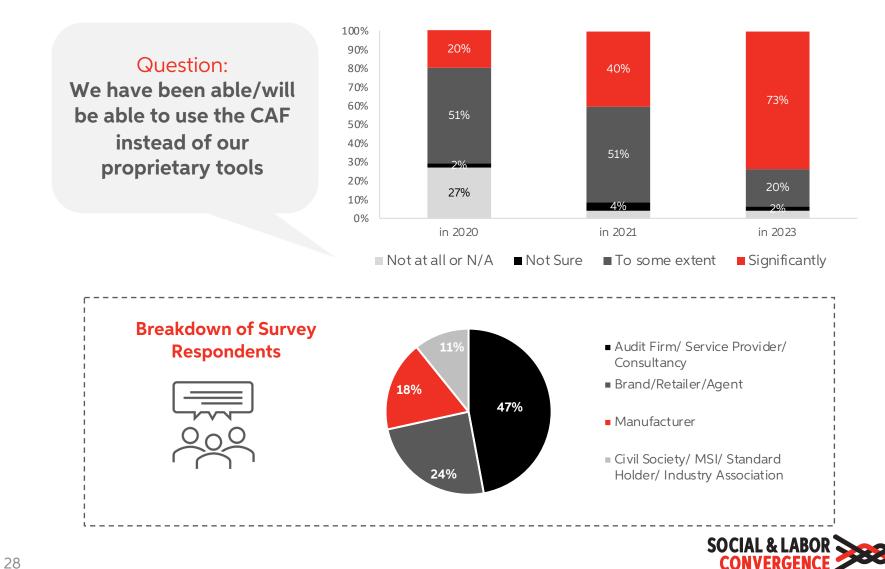


Verification type 2019 vs 2020





Replacing Proprietary Tools



Find Reports on the Signatory Portal



Reports

Scroll down to the **Reports** section

Annual reports

Learning & evaluation reports

2021: <u>Annual report 2020</u>
 2021: <u>2020 Learning and Evaluation report</u>





2021 – Where Are We Now?

Sharon Hesp, SLCP Senior Operations Manager



Collaboration with Better Work



SLCP and Better Work Collaboration

Better Work and SLCP have found common ground in promoting credible and actionable data to be shared between a broad range of industry actors to act upon, including governments and workers' and employers' organizations.

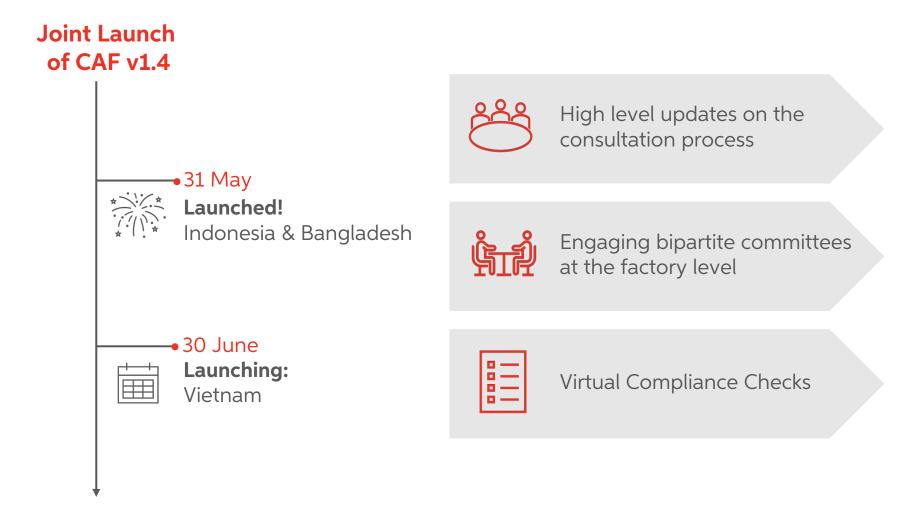








Update on Better Work Operations





2021 Operations & Roll-Out





SLCP is already available in

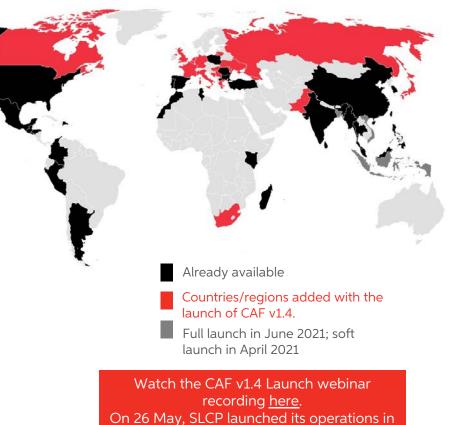


In the pipeline:

- ✓ +1635 assessments initiated
- ✓ +823 verifications finalized

In the past week:

- ✓ +124 Gateway profiles created
- ✓ +99 verifications completed



Pakistan. Watch the launch video here!

*By the end of 2021, SLCP will be available in 56 countries/regions.For the full roll-out schedule, please visit the <u>Gateway</u>.



Verifier Capacity to Meet Demand



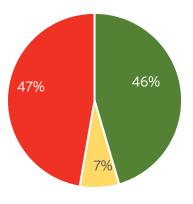




Possible to onboard new Verifiers in 10 days

Country/Region	Current # of VBs	Current # of Verifiers
China	64	310
India	44	88
Bangladesh	29	58
Vietnam	26	52
Taiwan	29	47
Turkey	24	41
Sri Lanka	24	30
Thailand	13	22
Mexico	16	21

% of Countries/Regions for Verifier capacity



Green = At least 3 VBs and 5 Verifiers approved in the country Yellow = VBs and Verifiers already in the pipeline to reach Green status

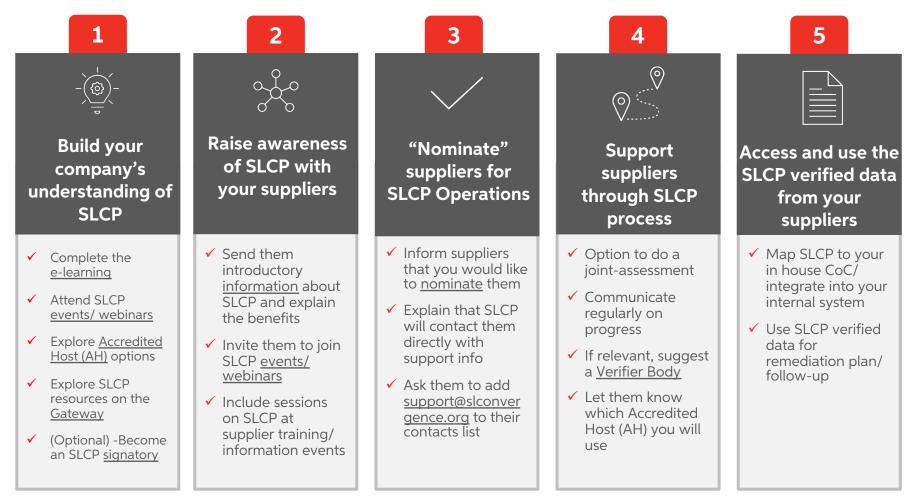
Red = Not Yellow or Green (no current pipeline to reach 3 VB and 5 Verifiers)

To view a detailed list of verifier capacity by country, please visit the <u>VB public page</u>.



How to Get Started with SLCP

Steps for brands and standard holders to start their SLCP journey





How to Get Started with SLCP

Steps for a facility to begin their SLCP journey

Learn how to initiate and complete an assessment by reviewing our step-by-step guidance.

Get trained!

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- a. Watch recordings of <u>training sessions</u> to understand the SLCP process and system.
- b. Join an <u>upcoming training</u> hosted by an SLCP approved Training Body (TB).
- c. Request a 1-on-1 training session by a qualified TB.
- d. Enroll for the <u>e-learning</u> training modules.

Facilities can access guidance throughout the assessment process through the <u>Facility</u> <u>Guidance</u> and <u>FAQs</u> on the Helpdesk.

Learn how to prepare for an SLCP assessment and what is expected of facilities.

Facilities undertaking SLCP assessments can subscribe to <u>bi-weekly newsletters</u> to stay informed on SLCP updates and receive tips on navigating the system.

Support convergence and use <u>this letter template</u> to invite brand partners to accept SLCP data.



Updates on Adoption



CAF Adoption - Brands & Standard Holders

For more details, including which countries and tiers brands & standard holders accept SLCP data from, please see the full list on our <u>website</u>.





CAF Adoption - Manufacturers

For more details, including which countries and tiers each manufacturer has implemented SLCP in, please see the full list on our <u>website</u>.



The manufacturer list contains parent company manufacturers only. For an overview of individual facilities that have created an account on the SLCP Gateway and started their SLCP assessment process, please go to SLCP's <u>public list</u> of facilities.



Standard Holder & MSI Engagement



Joined SLCP as a signatory at end of 2020.

Aim is for closer engagement in 2021.



Collaboration agreement with three-year roadmap started in 2020.



SLCP signatory, Fair Trade USA, is progressing towards recognition of SLCP verified assessments in 2021.



OEKO-TEX became an SLCP signatory in 2020 and is exploring recognising SLCP in STeP certification.



ITC Standards Map



ITC's Standard Map: The world's largest database for sustainability standards.

It provides freely accessible comprehensive, verified and transparent information on over 300 standards for environmental protection, worker and labour rights, economic development, quality and food safety, as well as business ethics.

How to check compatibility of SLCP's CAF with industry standards:

 Visit ITC Standards Map.
 Click to choose your option: CAF v1.4 Step 1, Step 2 or Step 3.

2. Search and choose the standards you want to check compatibility with CAF v1.4. You can also compare CAF v1.4 with CAF v1.3 to see what has changed.

3. Once you have made your selections, choose one of the options below:

- 'Review Summary'
- 'Compare side by side'
 - 'Set a reference'



Standards Mapping Webinar

Industry alignment is central to SLCP's vision and mission.

ITC's Standard's Map has been a key tool in understanding SLCP compatibility across the industry and opportunities for convergence.

Join us for this webinar that continues the conversation about how SLCP and ITC are driving collaboration and alignment throughout the industry.

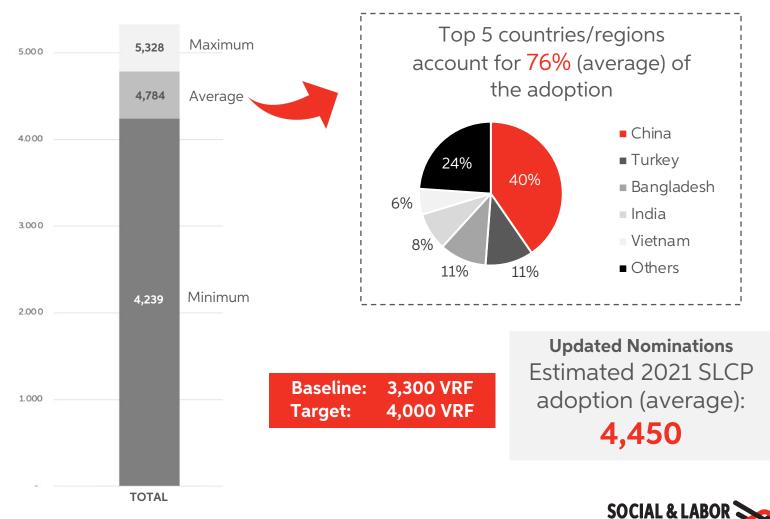
We'll share more about SLCP compatibility with industry standards and MSIs, our ongoing work to align with key initiatives and organizations, and hear from ITC on their work with the Standards Map.

Dates and times TBC





27 brands filled in the **2021 adoption survey** in November 2020



CONVERG

Verification Oversight & Quality Assurance



Improvements to Verification Oversight

Already implemented:

• Internal assessment (based on 7-level risk rating) for Verifier (local and international) capacity by country compared to expected verifications.

Currently ongoing:

• Review of the <u>QA public site</u>.

Developments in next 2-3 months:

- Revision of <u>QA Manual</u> to address additional VB management system review of non-APSCA firms.
- Integrity Program to be rolled out in update to <u>VB</u> <u>Requirements</u> which will identify VB low performers and require them to achieve higher performance or be suspended.
- Partnership Program where we can intake brand or other party quality review information in standardized, fair fashion and incorporate into SLCP VB performance evaluation.

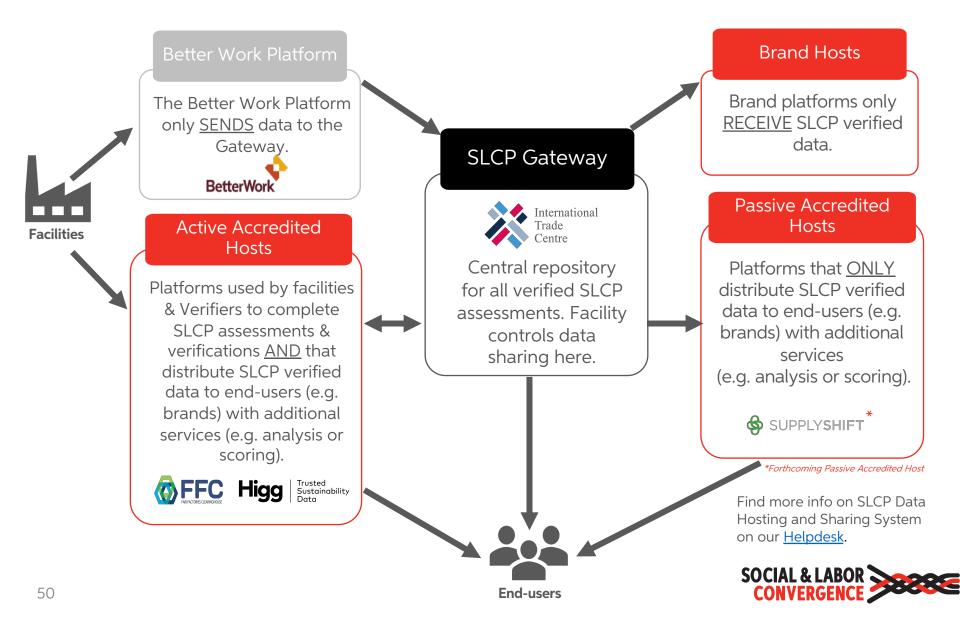
Watch the SLCP Quality Assurance webinar recording here.



Data Hosting & Sharing System



SLCP Data Hosting & Sharing System



Data Interpretation & Integration Webinar

Use of the CAF and acceptance of SLCP verified data are key to achieving resource reallocation and SLCP becoming #1 source of verified social and labour data.

In order to encourage adoption we must demystify the process of interpretating and integrating SLCP data.

Join us for this webinar to learn more about how stakeholders can access and interpret SLCP data and hear from others about their experience.

TBC: Tuesday 27 July – 16:00-17:00 CEST, 17:00-18:00 EAT, 10:00 EDT

TBC: Wednesday 28 July – 9:00 CEST, 12:30 IST, 15:00 HKT





Updates

Lauren Hill, SLCP Interim Stakeholder Engagement Manager



New & Updated Resources



SLCP Helpdesk

- FAQs and other resources
- Facility Training Webinar recordings in EN, CN and TR



Training Bodies (TBs)

- Training Body list
- <u>Upcoming trainings</u>



- **SLCP E-learning**
- Free online training



SLCP Communications

- <u>Sign up for newsletters (stakeholders)</u>
- <u>Sign up for bi-weeklies (facilities)</u>





Data Interpretation & Integration

> TBC: Tuesday 27 July - 16:00-17:00 CEST, 17:00-18:00 EAT, 10:00 EDT

> TBC: Wednesday 28 July – 9:00 CEST, 12:30 IST, 15:00 HKT

Standards Mapping

Dates & Times TBC (August)





Time for Questions

