

A woman in a red sari is seen from behind, holding up a large white cloth that fills most of the frame. The background is a plain, light color.

2022 SLCP Strategic Plan

VISION:

Converged Assessment.
Collaborative Action.
Improved Working Conditions.

MISSION:

To implement a **Converged Assessment Framework** that supports stakeholders' efforts to improve working conditions in global supply chains.

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NOTE: This version of the 2022 Plan is the Council version. The Secretariat has a more elaborate internal version which includes more details such as activities and KPIs for each key objective. Full version available by contacting Tom: coordinator@slconvergence.org



2022 Strategy – Introduction and Context

Section 1

Current State: 2021 Progress & Challenges

Progress & Achievements

- **Roll-out in 50+ countries** (including key countries China, Bangladesh, Vietnam)
- **CAF (Tool v1.4) created together with ILO-BW:** shorter, more focus, less verification days.
- Launched v1.4 successfully, including Law Overlays in Indonesia, Bangladesh, Vietnam
- **50+ brands and organizations publicly committed to accepting SLCP** verified data; 250+s signatories
- **Strong collaborations:** ITC, BW, ITMF/IAF, BBI, APSCA
- **Implementing partners:** Accredited Hosts: FFC and Higg Co., Verifier Bodies and Training Bodies.
- **4,000 verified assessments** projected EoY, on target!
- Start with **Data Insights** and positioning SLCP to policy frameworks (e.g. EC DD in supply chains legislation)

Finances

- 1.8 M Budget, plus 0.5M ITC in-kind;
- **93% Earned Income**, net positive, surplus 150K

Organization & Governance

- **New Council** (March 2021)
- Team grown to 15 people.

Challenges & Mitigations

- **Clarifying SAC Relationship** (as hosting organization and partner for adoption) has taken up a lot of resources.
- A lot of **resources needed to align on tools, policies and timelines between BW and SLCP:** close coordination, collaboration agreement signed in 2021.
- **Sharing & Hosting system continues to need further streamlining, Lost one PAH (but gained a Brand Host).** Benefits for AHs and value add (e.g. data analytics) for users (brands and other stakeholders): Tech enhancement, open discussions partner AHs and strategy to ensure options of choice brands and driving AH value-add/innovation.
- **Industry Convergence** proved hard and resource intense. E.g. progress with amfori and FWF, albeit slower than hoped for.
- Still lean (but highly ambitious) team. Competing priorities. Recruiting and maintaining **talent in specialist fields** is a challenge, particularly in area of Verification Oversight/Quality Assurance, Technology & Data Insights (due to highly competitive markets).
- No capacity to actively work on **sector expansion**.
- Developing and signing **legal agreements** challenging in current organizational set up. Working on clarifying roles & responsibilities through SAC Board and SLCP Council.

Vision

**Converged Assessment. Collaborative Action.
Improved Working Conditions.**

Mission

Implement a Converged Assessment Framework that supports stakeholders' efforts to improve working conditions in global supply chains

Industry benefits

Eliminate audit fatigue and duplication

Redirect resources to improvement actions

Greater comparability of social & labor data

SLCP Specific Aims

Industry adoption

Resources unlocked

Data access & comparability

Financial resilience

Our Goals

25,000 verified assessments

\$130m for improvement actions

Industry's #1 source of verified S&L data

Self-sustaining through earned income

Our Focus Areas

1. CAF

2. Ops

3. VO

4. Tech

5. Comms & SHE

6. Data Insights

7. Int. Org

2022 Strategic Planning Process

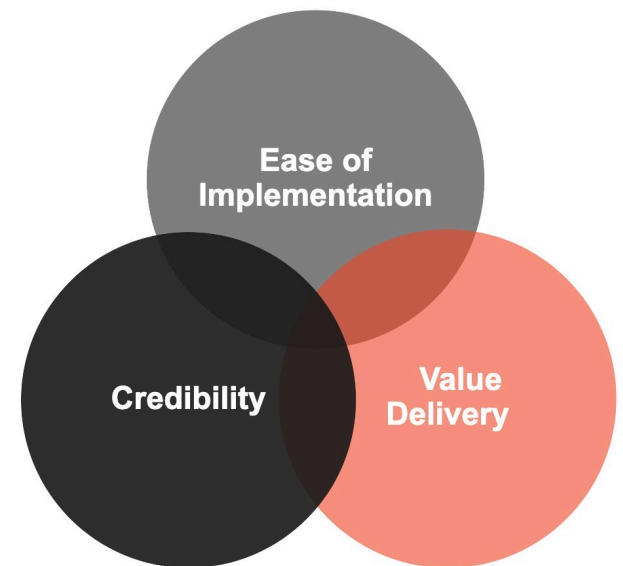


- Senior Managers & ED individually reviewed progress on 2021 deliverables & KPIs
 - Input from TACs
 - Senior Managers & ED presented to Management Team & Council Chair
 - Team review of Risk Register & adoption barriers
 - Plans for rest of the year updated
- Team session to identify key priorities for 2022 against 4 strategic aims
- Senior Managers individually developed draft plans with 3-4 key objectives
 - In total, 7 plans covering key focus areas
 - Senior Managers shared draft plans to provide/receive feedback and to check alignment
 - Draft plans updated and submitted to Council
 - Plans for rest of the year updated

Risk Assessment by Focus Area

30 risks have been identified in the SLCP Risk Registry (August 2021 session), *see Annex for details.*

- “**Low Adoption**” is the main over-arching risk affecting the work of all SLCP Focus Areas
- We have broken this down into 3 sub-themes:
 1. **Ease of implementation,**
 2. **Credibility,**
 3. **Value Delivery.**
- We have used this to develop a bottom-up risk assessment for 2022 for each of the 7 Focus Areas
- Subject to Council feedback/input, we will then review/update SLCP’s Risk Register accordingly





2022 Strategy – High level goals and budget

Section 2

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'

2022 Summary Plans & Opportunities

Plans

High level: increase adoption and ease implementation, enhance data integrity & credibility, and deliver value to stakeholders. Ramp up: Verification Oversight, Data integrity & quality, Tech & Data Insights.

- Adoption target 8,000 VRF (nomination so far support this);
- CAF v1.5 launch (limited update) in Q2 2022, plus minor updates throughout. WE technology & virtual verifications.
- Further enhance (communication about) data integrity & quality
- Reconfirm and expand ITC partnership
- Tech eco-system: stabilize and expand AHs. Expand and maintain quality of VB and TB network.
- Expand ILO-BetterWork collaborations (e.g. Overlay development non-BW countries, government engagement)
- Data Insights and policy influencing.

Finances

- 2021 Aim: 2.8 -3.0 M Budget plus 0.5M ITC in-kind; Earned income covering 100% core costs. Reserve building.
- Grant funding: new opportunity with GiZ; varied donors interests opportunity for sector expansion.

Organization & Governance

- Legal confirmation independent governance.
- Expansion of team. Focus VO, Tech and DI.
- System solutions for daily operation.

Opportunities & Challenges

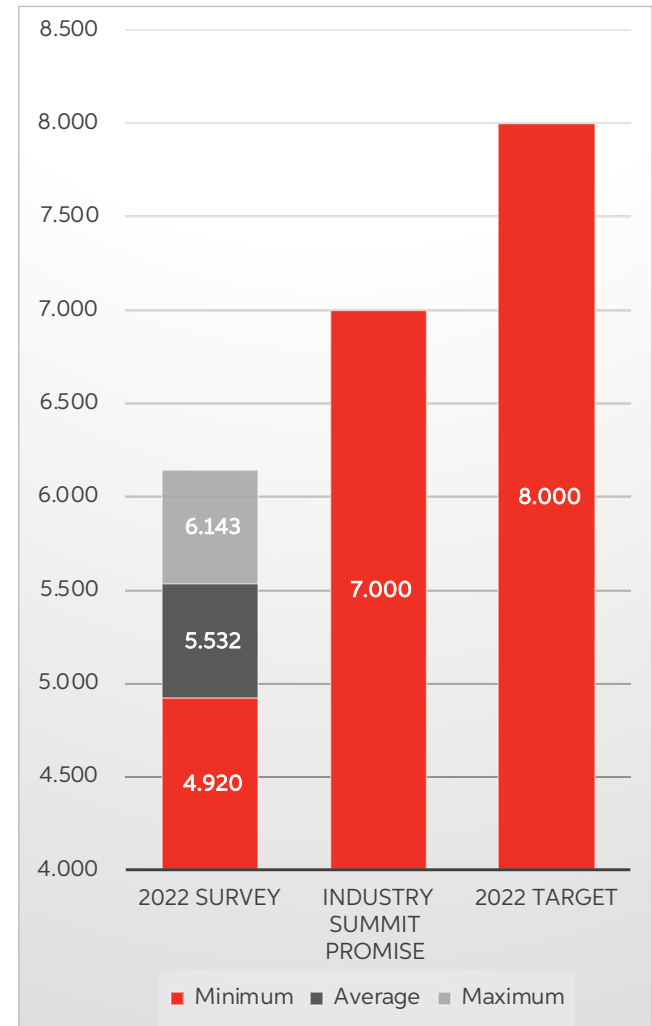
- Strengthen confidence level of number verified assessments in 2022: fine tune nominations and monitor closely (with IS and others)
- SLCP data insight/analysis will be a new area for SLCP & ITC, requiring investment, new partners (e.g. academia), but needed (now) to demonstrate SLCP as a source of comparable & actionable data to drive improvements.
- Further industry convergence: To get to 10K+ adoption, we'll need to go beyond current adoption drivers (big apparel brands): diversification in brands, product groups (organically) and work further on compatibility with standards: amfori/BSCI, FWF etc. New opportunity with GiZ funding.
- Link with new policy frameworks: SLCP should ensure compatibility and recognition of the CAF and SLCP verified data with upcoming policies e.g (EU) Due Diligence legislation and EU Sustainability Reporting Standards. This will require advocacy work (like position papers and engagement with policy makers).
- Dynamic financial & resource management: flexibility in budget: options to adjust to growth and slow-down scenarios. Donations and grants as fall back option.

2022 Projected Adoption (November 2022)

We have information from:

- 2022 SLCP adoption survey (launched in Oct 2021).
 - Brands that filled in the survey: **10** (incl. 8 out of 15 IS brands).
 - Estimated # of VRF in 2022 based on these entries in the table on the right.
 - We have 50+ brands in our signatory base. Expecting more brands to complete survey before the end of the year. Some do not fill in the survey but do roll-out SLCP.
 - We are seeing more and more adoption through brands & manufacturers who are not signatories. These stakeholders' plans are unknown to us.
- Separate discussions with Industry Summit brands.
 - IS brands counted for around 95% of total adoption this year.
 - Leadership indicates 7,000 VRF as firm target / feasible minimum from IS brands.
 - Nominations in FFC platform ongoing, could increase numbers, should have more clarity soon.
- SAC on membership requirements.
 - As of 2022 (v)FSLM is a membership requirement.
 - No information received yet on expected adoption, due in December. There will be overlap with the 2022 adoption survey and IS brands.

Secured 7,000 VRFs in 2022.
Aiming for 8,000.



SLCP Secretariat - Organization Chart

December 2021

SLCP Secretariat

SLCP Executive Director

Program Coordinator

Management Team

Ops Support, Training, Roll-out Team

CAF & Verification Oversight Team → Assessment & Quality Team

Communications & Stakeholder Engagement Team

Technology & Data Insights Team

Sr. Manager Operations

Sr. Manager Assessment & Quality

Sr. Manager Communications & Stakeholder Engagement

Sr. Manager of Technology & Data Insights

Support Coordinator China

Converged Assessment Framework Associate

Comms & Stakeholder Engagement Coordinator

Technology Coordinator

Support Coordinator India

Verification Oversight Associate

Proposed expansion 2022, priority: Data Insights and Technology

Support Coordinator Turkey

Proposed expansion 2022, priority: VO and CAF

Support Coordinator Bangladesh

Training Coordinator

Proposed expansion 2022, priority: Vietnam

Principles:

- SLCP governance document -> Secretariat = Staff/Full team as whole
- Management team, with sub teams
- Senior Managers, on payroll (except interim roles)
- Associates/coordinators: mix part-timers and full timers (4-5 days/week). Where possible, payroll for full time staff

Note: some titles under discussion



2022 Budget

High level 2021 budget (SLCP format)			
SLCP 2022 budget	Total projection EoY 2021	CC23 Draft 2022 budget, scenario 1 BASE VRF 7,000	CC23 Draft 2022 budget, scenario 2 TARGETED VRF 8,000
Expenses			
Salaries Snr Management	554,925	978,864	1,005,864
Governance /Council	55,538	70,000	74,000
Travel	2,931	84,000	84,000
Office and Admin	64,925	109,274	109,274
Roll-out Support Team & Help-desk	132,593	172,800	172,800
Events&Comms: Support Team & Marketing	71,399	45,000	45,000
CAF: Support team and consultancy	84,956	128,069	128,069
Tech: Support team and consultancy	43,113	170,000	214,000
Verification Oversight	507,217	696,440	747,100
Contingencies	91,455	99,292	167,292
Indirect (SAC Overhead charges)	182,564	295,305	324,500
Total Expenses	1,791,615	2,849,044	3,071,899
Revenue			
Verification - Upcharge fees			
Verification - Verifier access fees	1,354,000	2,217,378	2,462,580
Accredited Host - base fees			
Accredited Host - sharing/VRF-related fees	411,675	511,670	558,420
Earned Income	1,765,675	2,729,048	3,021,000
Other Income			
Grants & Donations (secured)	69,987	0	0
Grants (Not secured)	25,300	200,000	200,000
Donations (Not secured)	0	0	0
Gap/ Grants & Donations (Not secured)	25,300		
Signatory Charter Fees	34,667	24,000	24,000
Total Revenues	1,895,628	2,953,048	3,245,000
Carry over previous year	47,818	146,831	146,831
Balance (to be carried forward/reserve)	151,831	251,822	319,932
Simple profit	104,013	104,004	173,101
Carry forward	111,831	151,822	169,932
Reserve building	40,000	100,000	150,000
costs/VRF	448	407	384

Adoption 2022 – foundation for budget:

- Baseline: 7,000 VRF
- Target: 8,000 VRF

Observations:

- Budget based on:
 - ✓ Adoption rise to 7-8K VRF level. This seems feasible from nominations and commitments. Currently detailing these.
 - ✓ Extrapolation expenses factor 1.3-1.5 for most costs (assuming efficiency gains),
- Grant funding taken 200K now (conservatively), while application BMZ would cover 225K USD.
- EoY surplus for A) Operational Carry forward (e.g. to cover seasonality in earned income) and B) long term reserve (for emergencies). Division TBC.
- Expected balance 9-10% of total revenues.
- **Total costs/VRF: target for 2022 <400 USD/VRF (vs 448 USD/VRF in 2021)**

2022 Plans – Strategic Areas

Section 3

1. CAF
2. Operations
3. Verification Oversight
4. Technology
5. Comms & Stakeholder Engagement
6. Data Insights
7. Internal Organisation



2022 Strategy – AREA 1: Converged Assessment Framework (CAF)

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- Widespread acceptance of SLCP: brand, standard holders and other stakeholders
- SLCP has a reputation as main source of credible social & labor data
- SLCP recognized as leader for social and labor data (if SLCP has that data point, it is important; if SLCP does not have that data point, it is not needed for social and labor data set)
- Proof that SLCP CAF implementation is driving change in working conditions

What in 2021's approach can we leverage/continue in 2022 (to reach the long-term goal)?

- WE Tech pilot > collaborative approach to change/improvement > acceptance and recognition
- CAF v1.6 must involve "high caliber" partners in Taskforce to ensure this major version meets industry needs and gets industry recognition (UNICEF, DOL-ILAB)

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- Need to ensure v1.6 is long term version - at least 2 years of minimal change only
- Need to better manage BW collaboration and comms and clearly position BW as benefit to SLCP

Key Objectives of CAF



1. Optimize and stabilize the Data Collection Tool by collaborating successfully with BW, CAF Taskforce and other key stakeholders on v.1.5 (launch 2022) and preparation of v1.6 (launch 2023) with new Step definitions and scopes. Continue launch/ updates of Law Overlays. Enforce major version release Protocol (overlap of major versions for only 4 months).

Leading KPI: v1.5 launch Q2 2022



2. Flexibility in data collection & verification by introducing (a) the Full Virtual Verification Protocol with WE Tech (included in ecosystem) and (b) new Gateway report format indicating verified/non-verified data and method of verification (onsite/ virtual).

Leading KPI: Full Virtual Protocol launched in Q2 2022



3. Facilitate CAF compatibility with leading adopters, social standards/MSIs and application in sectors beyond apparel & footwear by working with ITC on mapping and by creating tools to streamline integration with key retailers (e.g. Disney, IKEA), MSIs (e.g. amfori) and stakeholders in adjacent and new sectors (TBC). Support for this work with new contractor.

Leading KPI: Data acceptance pilot by amfori by Q3

Risks and Mitigation

Adoption Barrier	Risk	Mitigation Strategy
Ease of Implementation	#1 COVID-19	<ul style="list-style-type: none"> ➤ Full Virtual Verification Protocol will provide options to still implement a CAF assessment without on-site visit ➤ Releasing CAF major versions so that full calendar year can be used to implement CAF and postpone verifications for a few months
	#2 Standard holder onboarding too complex/ resource intensive	<ul style="list-style-type: none"> ➤ Create semi-standardized approach to facilitate mapping (funded by GiZ) ➤ Use tech to create user-friendly & timesaving approach ➤ ITC to mediate/support with their existing relationships (e.g., GiZ project support)
	#3 Collaboration with BW adds complexity/ creates conflict with needs of other stakeholders	<ul style="list-style-type: none"> ➤ BW partnership management through regular engagement & development of clear roadmaps ➤ Clear comms to stakeholders on progress, outcomes, benefit of BW partnership
Value delivery	#1 SLCP not aligned with other major standards or applicable in other sectors/ stakeholders cannot use data to meet their needs	<ul style="list-style-type: none"> ➤ Focus on partnerships that improve value-add of SLCP ➤ Support stakeholders to understand options
	#2 Fear that standard holder adoption detrimental to the standard holder's business	<ul style="list-style-type: none"> ➤ Focus on win-win and SLCP as enabler ➤ SLCP provides access to new facilities and access to BW facilities



2022 Strategy – AREA 2: Operations

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- Strong commitment from majority of the industry (including standard holders) to implement SLCP: at minimum acceptance of SLCP verified data, even better active contribution by promoting SLCP to their suppliers/contacts. Apart from the apparel and footwear industry, **SLCP has branched out to other sectors**, adoption is considerable in adjacent sectors like accessories and textile manufacturing.
- **Scalable training and support system** with a **broad base of (local) training partners** and a **quality package of guidance materials** (e-learning, training decks, FAQs), plus a **strong SLCP support team** in place (knowledgeable, independent, connected, flexible) to solve issues that arise.

What in 2020's approach can we leverage/continue in 2022 (to reach long-term goal)?

- Over **4,000 facilities in 50+ countries** with experiences to share (case studies, speakers, etc.)
- Engagement with **major brands** that made ambitious adoption targets despite covid-19 disruptions.
- **Training materials** (slide library, e-learning) available. Strong partner in ITC and **47 TBs and 200+ Trainers onboarded that conducted 50+ training sessions in 7 languages.**
- **Knowledgeable support team** in place that works well together and solves issues quickly.

What do we need to do additional/differently in 2022 (to reach long-term goal)?

- Collaborate (with brands) for **Verifier availability** in all countries where SLCP has presence.
- Build on and **expand partnerships** with (mainly) manufacturers associations and Training Bodies.
- **Flexible training and support content** that can easily be updated in multiple languages.
- Gradually **expand operational support team** for increased adoption (and facility requests).

Key Objectives of Operations



1. Increased adoption: doubling 2021 adoption while introducing the CAF v1.5. Work with brands and other stakeholders to ensure adoption by removing barriers and improving the user experience. Launch or expand operations in Better Work countries.

Leading KPI: double the # of facilities (7,000 – 8,000) that go through the SLCP assessment process.



2. Customized training: facilitate user adoption of the CAF by collaborating with training partners (ITC, Training Bodies) to offer training opportunities for different user groups (beginners, advanced, customized).

Leading KPI: provide mix of training opportunities for key user groups (base online e-learning, min. 50 virtual and in-person training sessions).



3. Adequate support: increase ease of adoption, remove barriers for key user groups, and resolve (technical) issues (together with platform partners) quickly. Improve user experience, processes and materials in line with feedback.

Leading KPI: minimize issues with 50% compared to 2021 and provide support within 1-2 working days when roadblock is encountered.

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Tool questions hard to understand for facilities, esp. when not proficient in English	<ul style="list-style-type: none"> ➤ Provide training materials that address common mistakes (answering Tool questions) ➤ Provide guidance in local language
	#2 SLCP assessment process hard to navigate, esp. for facilities that have never done internal audits and/or during covid times	<ul style="list-style-type: none"> ➤ Clarify that investment is needed to come to a good understanding, but it will pay back over time (value of SLCP) ➤ Adapt process, e.g. virtual verification ➤ Strong training and support materials
Credibility	#1 Brands / standard holders not accepting SLCP verified data as they doubt integrity and credibility of data	<ul style="list-style-type: none"> ➤ Communicate Brands Acceptance List and how it's growing over time ➤ Engage facilities on communicating about SLCP to their business partners
	#2 Brands nominating VBs to facilities as they feel some cannot be trusted	<ul style="list-style-type: none"> ➤ Explain VB & VE application procedure and that all are equal ➤ Highlight QA activities in comms to stress data quality and integrity
Value delivery	#1 Facilities unsure if brands will accept data	<ul style="list-style-type: none"> ➤ Communicate Brands Acceptance List and how it's growing over time ➤ Collect facility case studies
	#2 Follow-up by brand after facility shares their SLCP data is not the same	<ul style="list-style-type: none"> ➤ Promote joint remediation ➤ Work towards more focus in the Tool



2022 Strategy – AREA 3: Verification Oversight

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP has a reputation as main source of credible and relevant social & labor data
- Credible means: high integrity and quality
- Relevant means: data the user gets is exactly what they need to inform remediation plans, scoring, etc.

What in 2021's approach can we leverage/continue in 2022 (to reach the long-term goal)?

- Stakeholder QA Program > cost saving, collaboration, credibility
- Further build out use of VB scoring (suspension, reward)

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- More public endorsement of rigor of SLCP VO and QA systems > more standard holder adoption
- Improved comms on data quality and integrity

Key Objectives of Verification Oversight



1. Increase acceptance of SLCP verified data by promoting key partnerships and use of SLCP data by key stakeholders

Leading KPI: Acceptance of data by at least 2 key stakeholders (e.g. Walmart, Disney, pilot by amfori)



2. Further improve and scale VO & QA systems through a) continued implementation, enhancement & increased efficiencies of VO systems and b) tapping SLCP Data Insights department, VOO and select partners (academia, data analysts) to identify data patterns for more focused QA

Leading KPI: At least 3 organizations as part of Stakeholder QA Program by Q3



3. Enhance public understanding and perceived credibility of VO/QA by working closely with SLCP Comms department to execute comms strategy around data quality and integrity

Leading KPI: Over 75% report neutral or positive in EOY signatory survey regarding understanding and robustness of data integrity/ quality

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 COVID	<ul style="list-style-type: none"> ➤ Full Verification Protocol ➤ WE tech to be considered to reduce Verifier person days/ time spent interviewing workers
	#2 Not enough Verifiers/ Verifier availability	<ul style="list-style-type: none"> ➤ Regular communication from VOO about capacity needs based on nomination information ➤ Spread out verifications over the year; hopefully more success in 2022 as 1.5 not a big update
Credibility	#1 Data quality contested/ too many VBs (not qualified)/ honest data	<ul style="list-style-type: none"> ➤ Comms campaign to better explain QA ➤ Promote visibility of VB performance ➤ Work with academic institution to identify QA flags
Value delivery	#1 SLCP not aligned with other major standards	<ul style="list-style-type: none"> ➤ ITC to support in bridging discrepancies ➤ GIZ project to drive alignment with key industry players ➤ amfori to showcase first major adopter



2022 Strategy – AREA 4: Technology

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- Scalable gateway and host systems capable of supporting in excess of 25,000 VRFs per annum
- Happy users (facilities, brands, hosts, verifiers etc.) stating that the systems in the SLCP ecosystem are seamless and easy to use, all the way from onboarding to reporting
- Trustworthy data backed up with automated checks to detect and prevent quality issues

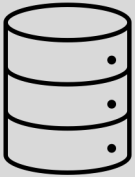
What in 2021's approach can we leverage/continue in 2022 (to reach the long-term goal)?

- Continue to improve the User Experience of the entire SLCP process
- Build on the pilot Data Store to allow simple and effective reporting
- Further enhancement of Data Quality (VRQ) checks of Verified Assessment Data

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- Improve release planning and management, to ensure that releases are delivered OTIFNE – On Time, In Full, No Errors
- Re-visit, review and improve difficult or long-winded processes and activities
- Engage more Passive and Brand hosts, to improve accessibility of verified data
- Build more capacity in our internal tech team to allow us to take a more proactive stance

Key Objectives of 4. Technology



1. Eco-system Enhancements: Will work closely with ITC and the hosts to enhance the Gateway and AH platforms both to support new CAF versions and changes as well as improving the user experience of facilities and verifiers. We will seek to address current barriers to adoption and improve brands' ability to track their supply chain activity.

Leading KPI: CAF 1.5 Enhancements delivered on time, in full, no errors



2. Increase the number of AHs: In 2022 we will add further Brand Hosts and Passive hosts and engage with Amfori with a view to them potentially becoming an Active Accredited Host in 2023. We will also retain our existing AHs – FFC, Higg and Inditex.

Leading KPI: Onboard 1 PAH and 2 BHs by 31 Dec 2022



3. Deliver the SLCP Data Store: We will support ITC to complete the delivery of the SLCP Data Store, a dedicated extension to the gateway that provides data in a form that is readily consumable by standard reporting and analytics tools. The Data Store architecture will include appropriate authentication and authorisation and will deliver aggregate, anonymised or detailed data appropriate to each data consumers role and permissions.

Leading KPI: At least one external partner able to use the data store by Q3

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Brands report that eco-system inhibits adoption or presents barriers	<ul style="list-style-type: none"> ➤ Work with Brands and Hosts to understand blockers and barriers and remove them ➤ Pro-actively review and streamline long-winded processes
	#2 Data Store does not present data in an easy-to-use form	<ul style="list-style-type: none"> ➤ Work with data consumers to understand needs ➤ Iterative delivery, refining as we go
Credibility	#1 One or more parts of the Eco-system are unreliable	<ul style="list-style-type: none"> ➤ Focus on stability and reliability as a key deliverable in all changes ➤ Thorough testing
	#2 Inaccurate or unreliable data	<ul style="list-style-type: none"> ➤ Continue enhancing VRQ checks ➤ Use analytics to identify areas for improvement
Value delivery	#1 Hosts don't deliver required value-add services to Brands	<ul style="list-style-type: none"> ➤ Create stronger partnership with hosts and help identify shared interests and opportunities ➤ Identify and understand Brand requirements and any inhibitors to hosts delivering them ➤ Consider complementary value-add, such as simple reporting or adoption tracking.
	#2 Hosts don't deliver SLCP services at affordable prices	<ul style="list-style-type: none"> ➤ Create stronger partnership with hosts and promote mutual benefits of affordable service delivery, and identify other revenue-generating services they can provide ➤ Deliver target adoption figures to support host revenue streams ➤ Consider contractual support for affordable pricing



2022 Strategy – AREA 5: Communications & Stakeholder Engagement

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP is a "no-brainer" for manufacturers because they can share it with all their buyers
- The CAF is being implemented across other sectors
- Brands & standard holders find it easy to integrate & use SLCP data
- Brands & standard holders have confidence & trust in the data
- SLCP is recognized as an accelerator and solution provider for human rights' due diligence
- SLCP is driving systemic change through the sharing of credible and useful data insights

What in 2021's approach can we leverage/continue in 2022 (to reach the long-term goal)?

- Launch of CAF v1.4 in BW countries: proof of concept of collaboration
- Data Insights: First report of its kind & start of our work in this area
- SLCP acceptance: more brands on acceptance list & policy for dealing with non-acceptance
- Development of our comms work: personas, new website, increased reach on LinkedIn etc.

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- Increase focus on raising credibility of SLCP through comms
- Increase focus on positioning SLCP as source of data to support industry & forming strategic partnerships/connections to support this work
- Increase focus on demonstrating impact (shift away from explaining mechanics of SLCP)

Key Objectives of 5. Comms & Stakeholder Engagement



1. Support and drive adoption

Through strong signatory engagement: virtual General Assembly; matchmaking between signatories; regular newsflashes and webinars; case studies and testimonials; **By engaging non-signatories:** thematic and update webinars; one-on-one engagement with leading brands; SLCP represented at industry events; close coordination with SAC

Leading KPI: 90% of signatories using the CAF by end of 2022



2. Position SLCP as source of credible data

Comms strategy to promote data quality & integrity: new section of website; regional comms & engagement with IS regional teams; webinars & infographics; myth busting; blog series and position papers; **Develop data insights workstream:** focus on partnerships with relevant stakeholders; have SLCP data used in research articles and publications

Leading KPI: Number of brands on acceptance list increased from 50 to 65



3. Drive convergence

GIZ project: Pursue dialogue, collaboration and convergence with standard holders with amfori as top priority; **BW collaboration:** Maintain cooperation and alignment with Better Work on CAF updates and roll-out

Leading KPI: BW collaboration: Roles and responsibilities clearly defined for future CAF updates (based on CAF v1.5 learnings)



4. Demonstrate impact

Show SLCP is delivering results in terms of convergence, audit reduction and resources unlocked: through case studies; collaboration with BBI; recalculation of potential savings; promote examples of convergence and the resulting savings

Leading KPI: BBI 2022 data showing 30% of respondents' buyers accepting SLCP

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Collaboration with BW adds complexity alongside requests from other stakeholders	<ul style="list-style-type: none"> ➤ Maintain effective collaboration with BW through regular engagement & development of clear roadmaps ➤ Clear comms to stakeholders on progress, outcomes & benefits of BW collaboration
	#2 New CAF releases cause confusion or lead stakeholders to pause implementation in anticipation of new release	<ul style="list-style-type: none"> ➤ Clear comms to stakeholders ➤
Credibility	#1 Scaling of operations creates perception that SLCP data is not high quality	<ul style="list-style-type: none"> ➤ Comms strategy focused on quality and integrity
	#2 High profile incident in a facility with an SLCP verification that damages SLCP reputation	<ul style="list-style-type: none"> ➤ Comms crisis management strategy
Value addition	#1 SLCP stakeholders not able to use the data to meet their needs	<ul style="list-style-type: none"> ➤ Focus on partnerships that improve value-add of SLCP ➤ Support stakeholders to understand options
	#2 SLCP not seen to be delivering impact in terms of audit reduction & unlocking of resources	<ul style="list-style-type: none"> ➤ Comms focused on impact



2022 Strategy – AREA 6: Data Insights

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- SLCP in partnership with ITC and other organizations, as experts in social labor field.
- SLCP verified data as the #1 source of credible data for supply chain actors, but also other stakeholders: governments, academics, civil society
- SLCP verified data driving transparency and improved working conditions

What in 2021's approach can we leverage/continue in 2021 (to reach the long-term goal)?

- Initial workplan Data Insights together with ITC
- Joint Tech work with ITC: Data storage, dashboards /analytical tools
- 2020 Ops Learning & Evaluation Report and 2020 Ops (internal) Data insights report and external brochure.

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- Separate out this as a workstream and establish a distinct TAC (Council decision)
- Accelerate collaboration with trusted external parties on this front (BW, academics)

Key Objectives of 6. Data Insights



1. Enhance own SLCP (&ITC) data analytics & reporting: Technology improvement to allow Program specific analytics and reports on SLCP's performance and identifies areas of improvement. As well as reports that provide analysis of the **Social & Labor conditions** throughout the global supply chains (facilities using the CAF): analysis on the SLCP verified data.

Leading KPI: Reports demonstrate SLCP impact (improved data quality, resources unlocked and redirected) and opportunities to improve labor conditions.



2. Initiate data insights by/together with third parties: SLCP and ITC aim to work with trusted stakeholders/research partners to provide an interpretation layer on SLCP verified data and correlate data with other research. securely access SLCP verified data. Analytical tools will be needed (see objective 1), as well as legal and technical features for third parties to access the data.

Leading KPI: Signed agreements with BW and at least one academic institution; research based on SLCP data in progress.



3. Alignment of SLCP verified data/data insights with policy developments: CAF and SLCP's verified data are being recognized and used in public debates. SLCP data as #1 source of S&L data, driving transparency and improved working conditions

Leading KPI: CAF and SLCP verified data recognized by policy makers/solutions for upcoming legislations (e.g. HR Due Diligence, Sustainability Reporting).

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Data Insights work would distract resources from mission to implement CAF/strategic aim 1 Industry Adoption. Perception of refocus	<ul style="list-style-type: none"> ➤ Data Insights as one of strategic areas (in line with our strategy) alongside rolling out ➤ Use Data analytics for both internal purposes (monitor progress, improve processes and systems) as well as external (analysis of verified assessments) to increase relevance of SLCP (indirectly adoption)
	#2 Mis-use of SLCP Data – e.g. directly criticising brands, governments, etc	<ul style="list-style-type: none"> ➤ Ensure appropriate agreements in place with all recipients / users of SLCP verified data
Credibility	#1 Data Insights report criticised (by e.g. Activist NGOs)	<ul style="list-style-type: none"> ➤ Work with credible trusted third parties
	#2 Policy alignment results in potential mission creep/contradicts positions of signatories/key stakeholders.	<ul style="list-style-type: none"> ➤ Ensure in aligning with policy frameworks we remain in scope of our mandate/ ensure appropriate consultation of positioning?
	#3 Data Insights don't meet need of stakeholders	<ul style="list-style-type: none"> ➤ Co-create reports with ITC, new TAC Data Insights, and other TACs (e.g. Comms&SHE) ➤ Continuously demonstrate link between SLCP/CAF adoption and relevance to users (also in context of upcoming legislation and public debates).
Value delivery	#1 Data insights is seen as competition with AH services	<ul style="list-style-type: none"> ➤ Focus on the 'public good' aspect. Not monetizing the workstream (for short/medium term). ➤ Explain/link need for transparency and understanding trends as lever to improve working conditions (part of our vision & mission and strat plan)
	#2 Data insights perceived as compromising facility ownership of data.	<ul style="list-style-type: none"> ➤ Only work with anonymized/aggregated data, clear agreements in place.
	#3 Data Insights don't meet need of stakeholders	<ul style="list-style-type: none"> ➤ Co-create reports with ITC, new TAC Data Insights, and other TACs (e.g. Comms&SHE) ➤ Continuously demonstrate link between SLCP/CAF adoption and relevance to users (also in context of upcoming legislation and public debates).



2022 Strategy – AREA 7: Internal Organization

Section 3

Leveraging successes and looking ahead

What does 2023 success look like (what would we have achieved)?

- Established multi-stakeholder organization: Social entrepreneurial spirit, value driving, implementation-oriented. Independent Governance
- Financially Sound: 100% coverage core expenses Secretariat on earned income. Charity funding/donations for innovative projects, 15K+ VRF and 3.5-4M budget, 3-6 months reserve
- Lean & Mean organization, but Solid & Smart: Strong MT, stable staffing: full-timers supplemented by part-timers. Collaboration with like minded organizations, locally embedded.
- (Beyond 2023?) True compatibility with standards in this field.

What in 2021's approach can we leverage/continue in 2022 (to reach the long-term goal)?

- Availability additional resources based on 14K VRF adoption. Entering 2022 with 100K carry over. (TBC)
- Additional grant funding GiZ.
- Upgraded structure systems and policies on governance and human resource management
- New Council installed and functional.
- Expansion of team in flexible set up. Progress on team HR, team building & -culture.
- Working on partnerships. Progress with ITC, BW, APSCA, BBI and others

What do we need to do additional/differently in 2022 (to reach the long-term goal)?

- Governance: Legally confirm independent governance (in dialogue with SAC Board)
- Finance: further enhance processes, address seasonality earned income
- HR:
 - Talent management, medium term staffing plan and related HR structure
 - Monitor employee satisfaction vs HR package
- Partnerships:
 - Move collaboration ILO-BW from operational towards strategic
 - Prioritize creating acceptance and compatibility with key existing system(s) in the field (amfori etc).

Key Objectives of 7. Internal Organization



1. Well resourced and financially healthy organization: Sufficient income to deliver our work with quality. Healthy financial position, core business driven on earned income, building up reserves.

Leading KPI: earned income covering 100% core activities.



2. Professional team: SLCP is a good and rewarding place to work for the staff.

Leading KPI: >70% staff retention rate.



3. Good governance: Independent governance is legally confirmed. Council is functional and following 'best practices'.

Leading KPI: SLCP legally incorporated.



4. Leveraging partnerships: Reconfirm/formalize collaboration with ITC, SAC, Better Work, eco-system partners/AHs, VOO and key standard holders.

Leading KPI: Collaboration agreements with current partners confirmed/prolonged (none broken).

Risks and Mitigation

Adoption Barrier	Risk	Mitigation strategy
Ease of Implementation	#1 Insufficient budget/capacity at Secretariat to make necessary improvements in Helpdesk/Support and Gateway	<ul style="list-style-type: none"> ➤ Keep prioritizing ITC partnership, support in ITC-EU DG INTPA contract extension ➤ Expansion of team in regions, while keeping customer approach (persona led) in prioritizing improvements
	#2 Insufficient capacity/budget from VOO or Too high budget/low quality for money VOO	<ul style="list-style-type: none"> ➤ Partnership approach with VOO, quality first, transparency, trust (long term approach) ➤ Closely monitoring budget, seek efficiency gains.
Credibility	#1 Insufficient budget/capacity at Secretariat to ensure robust data quality & integrity	<ul style="list-style-type: none"> ➤ Prioritizing VO and DI in 2022 staff expansion
	#2 Insufficient capacity/budget from VOO or Too high budget/low quality for money VOO	<ul style="list-style-type: none"> ➤ Partnership approach with VOO, quality first, transparency, trust (long term approach) ➤ Closely monitoring budget, seek efficiency gains.
Value delivery	#1 Partnerships with AHs don't incentivise value add for SLCP users	<ul style="list-style-type: none"> ➤ Continuous upgrades Gateway and SLCP AH agreements/fees to incentivize value added features ➤ Open (partner like) dialogue with AHs
	#2 Partnerships related to alignment/compatibility don't work	<ul style="list-style-type: none"> ➤ Prioritize BW collaboration in tool updates, SAC for FSLM alignment & adoptoin, and amfori compatibility (also with GiZ political support)

Risks and Mitigation (2)

Other areas	Risk	Mitigation strategy
Financial	<p>#1 Less earned income due to lower adoption than expected (deviation from planned nominations and/or COVID-19 impact)</p> <p>#2 Seasonal income (verification cycle) resulting in cash flow risks</p>	<ul style="list-style-type: none"> ➤ Work upfront on detailed nomination planning ➤ (see also Strat area 1. CAF) ; Explore COVID-19 scenario (full virtual verification) together with ILO-BW ➤ Proper forecasting of expenses ➤ Flexible SLCP set up, easy adjustments in growth and slow-down scenarios
Organizational	<p>#1 Unclear and not fully functional relationship SAC</p>	<ul style="list-style-type: none"> ➤ Follow up on SAC assigned study SLCP value creation ➤ SLA in place with SAC on hosting services ➤ Legal incorporation SLCP for further distinction ➤ Renewed dialogue on future relationship with joint WG
Staffing	<p>#1 Not able to recruit qualified staff in highly competitive market</p> <p>#2 Mismatch staff capacity and ambition (understaffing, burn-outs, lower quality of work)</p>	<ul style="list-style-type: none"> ➤ Investment in team: organization culture, team building, learning sessions, trainings, personal development ➤ Careful and pro-active resource planning ➤ Recruit globally ➤ Provide proper salaries along with other benefits

SLCP Risk Registry – 2021 Overview

- 27 risks have been previously identified in the 2020 SLCP Risk Registry, 3 new risks have been added.
- There are 6 themes of risks
 1. Internal Management,
 2. Business Model,
 3. Customer Satisfaction,
 4. Reputation,
 5. External, and
 6. Adoption (lower than planned).
- **High level outcome:** By multiplying the *probability* and *impact* score (out of 5, coded as shown below) of each risk, the survey results show:
 - 1 x Very High Risk
 - 4 x High Risks
 - 15 x Medium Risks
 - 6 x Low Risks
- **Effectiveness of mitigation strategy:** For each risk, a mitigation strategy has been developed.
 - 44.5% - 12 out of 27 risks have an ('high' = appropriate/effective) mitigation strategy
 - 44.5% - 12 out of 27 risks have a moderately effective ('medium') mitigation strategy.
 - 11% - 3 out of 27 (11%) risks have an underdeveloped ('low' = ineffective/inappropriate) mitigation strategy.

Code: Risk Scores	
Very Low	from 0-4
Low	from 4 - 8
Medium	from 8-12
High	from 12 - 16
Very High	from 16-20

2021 Risk Registry: Top Program Risks

The top 5 risks identified (when considering probability, impact, and the effectiveness of the mitigation strategy) – Session August 2021

	Risk	Theme	Probability / Impact Score	Mitigation Strategy Effectiveness				
1	Sub-optimal SAC/SLCP working relationship	Internal Organisation	16.28	Medium: High probability& impact, limited control on mitigation strategy as outcome was largely based on external parties. Remain proactively involved and in dialogue as the relationship progresses.				
2	Adoption rates significantly lower than planned (COVID causing long term adoption issues)	Adoption (actual, lower than planned)	14.4	Medium: High probability/impact, situation with Covid continues to evolve ensuring out of SLCP control. Have develop an Adoption Barriers Template to address specific buckets of concern (use of implementation, credibility, value add of SLCP).				
3	Geopolitical dynamics impacting SLCP operations (dependence on China)	External	10.44	Low: Risk has high impact, but out of SLCP control. SLCP has addressed this by developing a China Policy, and there is a reduction in % of VRFs in one country in 2021 which reduces potential adverse impacts of (political) crisis.				
4	No impact improving working conditions achieved: no real savings and/or savings not used for improvement areas	Impact	11.6	Medium: hard to monitor this risk. Continuing to develop collaborations & partnerships to understand actual impact & communicate it. Created new workstream (Data Insights) to increase understanding of SLCP impact.				
5	Quality: SLCP verified assessment (VRF data) perceived as insufficient (not enough rigour/ quality/ integrity)	Reputation	15.18	<table border="1"> <tr> <td>Medium/ High: Actual quality of data</td> <td rowspan="3">Overall Effectiveness: Medium: Active education, engagement and explanation of our VO/ QA helps perception, Data Insights/ CAF developments to improve quality, Secretariat working on crisis management to improve control over adverse incidents.</td> </tr> <tr> <td>Medium: Perceived quality of data</td> </tr> <tr> <td>Low: Control based on adverse incidents</td> </tr> </table>	Medium/ High: Actual quality of data	Overall Effectiveness: Medium: Active education, engagement and explanation of our VO/ QA helps perception, Data Insights/ CAF developments to improve quality, Secretariat working on crisis management to improve control over adverse incidents.	Medium: Perceived quality of data	Low: Control based on adverse incidents
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Medium: Perceived quality of data								
Low: Control based on adverse incidents								