

The background of the slide is a close-up photograph of several spools of thread. One spool in the foreground is filled with orange thread, while others in the background are white and black. The threads are slightly out of focus, creating a sense of depth. The overall lighting is soft and even.

Social & Labor Convergence Program (SLCP)

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

Learning & Evaluation Report
SLCP 2020 Operation

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Foreword

Janet Mensink, Executive Director, SLCP

Converged Assessment.
Collaborative Action.
Improved Working Conditions.

This Learning & Evaluation report is an open and transparent review of SLCP's 2020 operations. As we look back annually at last year's operations, we evaluate and measure our progress and highlight opportunities where we can improve. This report holds the program to account and informs our stakeholders and signatories of our progress.

By all accounts, this past year has not been without challenges for all of us. The pandemic had a major impact on supply chains globally. As well, this also affected our operations. We revised our strategic plan to adjust and accommodate the changing landscape that COVID-19 presented.

We are fortunate that there are successes to share. The number of verified assessments exceeded our down adjusted targets. The Converged Assessment Framework (CAF) is available in more countries and in more diversified facilities, and the number of verifiers has increased.

This report also highlights areas for improvement. E.g., the ease of the tool is important, feedback that we have incorporated as we launch CAF v1.4. Continuous attention to data integrity is a priority on the 2021 strategic plan.

Most encouraging is to see the first concrete benefits of shared verified assessments, validating our assumption that implementation of the CAF will create impact in improving labor conditions in supply chains.



This report aims to address the following needs:

1. Evaluate SLCP progress in 2020:

- Is the Program on track and meeting targets and milestones?
- Is SLCP meeting user-needs: is it scaling, is it user-friendly, is the data credible?

2. Evaluate SLCP impact in 2020:

- Is the Program achieving the goals set out in the Strategic Plan and in the Vision and Mission?
- Is SLCP working as planned: is verified data being widely shared and reducing audit fatigue? Are resources being redirected to improving working conditions?

3. Celebrate success and identify opportunities:

- What have we learned from 2020 operations – where have we succeeded and where do we need to make further improvements?

Scaling Operations

A key objective in 2020 was to expand SLCP operations beyond the initial ten countries launched in 2019 and to increase the total number of completed SLCP verified assessments. The original 2020 target was 2000 verified assessments – this was revised to 1000 early Q2 2020 due to the expected impact of COVID-19.

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High Level Overview

SLCP Operations To-Date

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



CAF available in
30+ countries



2546 facility
profiles
in SLCP Gateway



1455 verified
assessments
completed in 2020

Total since LOps: 1866*



806 assessments
in process

From 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.



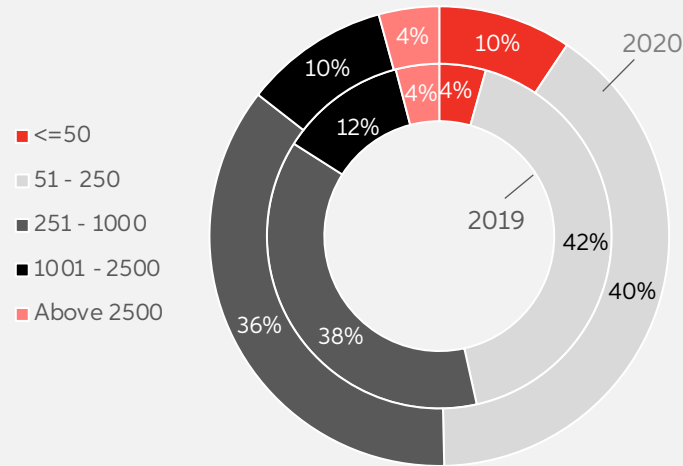
*Total assessments completed since the start of Light Operations in November 2018

2020 Facility Breakdown

Facility Size & Type

40% of all assessments completed in 2020 were in facilities with between 51-250 employees. Adoption in very small facilities (under 50 employees) increased from 4 to 10% from 2019 to 2020 operations.

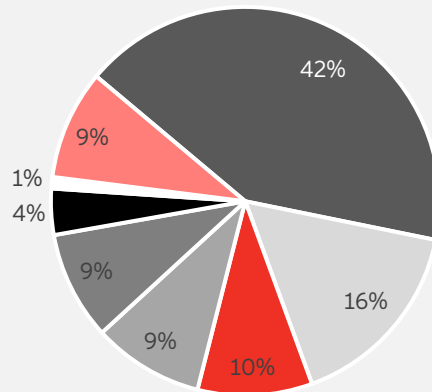
Size of facility
2019 vs. 2020



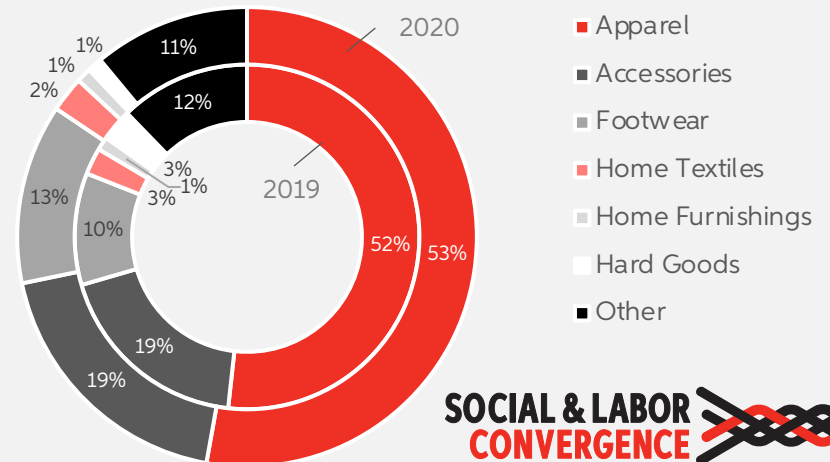
SLCP was focused on adoption in the apparel & footwear sectors in 2019 and 2020, yet assessments in other sectors have consistently made up about 30% of total volume, suggesting natural growth into adjacent sectors.

Type of facility
(2020 verified assessments)

- Sewing or Final Product Assembly
- Packaging
- Printing or Dyeing
- Footwear / Leather goods
- Trim
- Materials Supplier
- Chemical
- Other



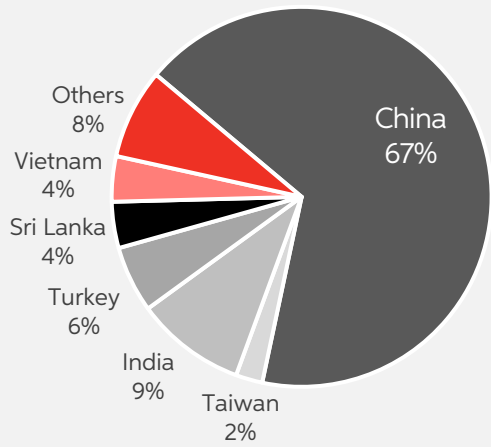
Sector coverage over time
2019 vs. 2020



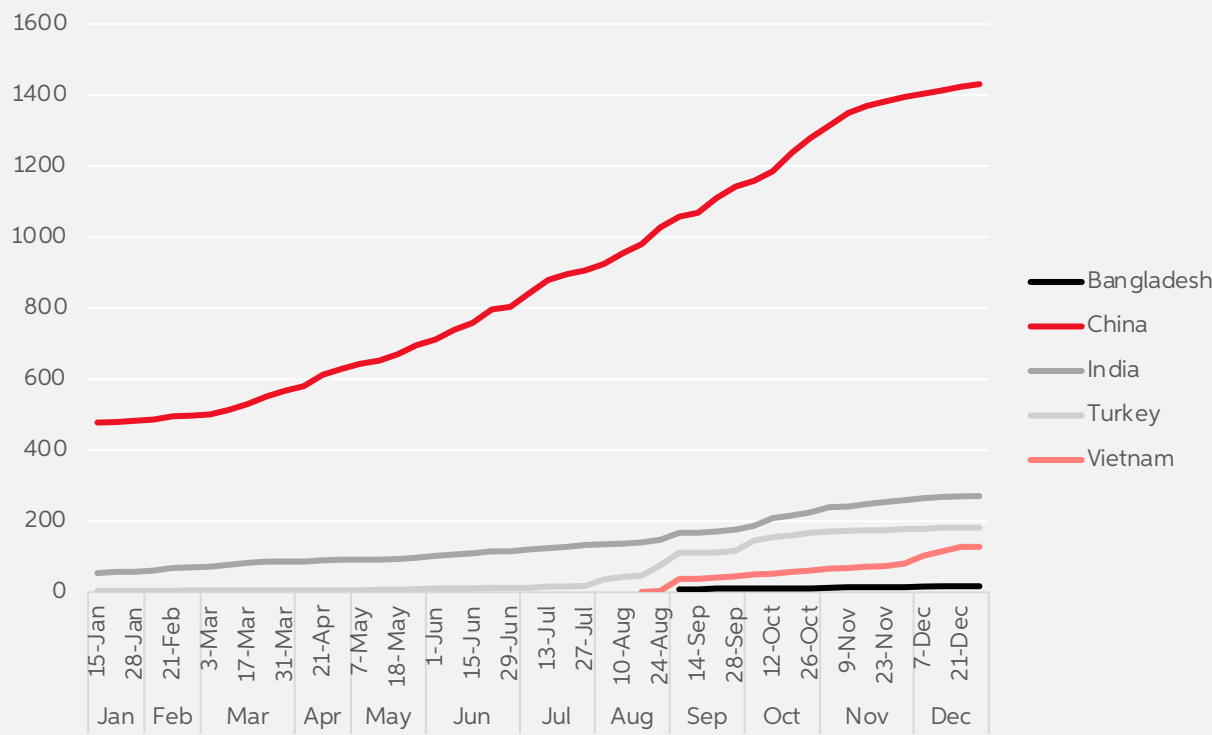
Facility Breakdown

By Country/ Region

VRFs per country / region in 2020



Facility profile growth per 2020 focus country



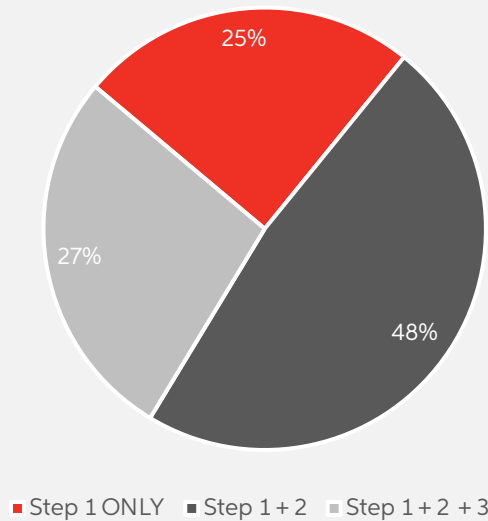
For 2019 operations, 87% of verified assessments were in China & Taiwan. Scaling beyond China was a key objective and achievement for SLCP in 2020.

Note: Operations in Bangladesh and Vietnam began in September 2020 and only in facilities that were not eligible for the Better Work program.

Facility Tool Use

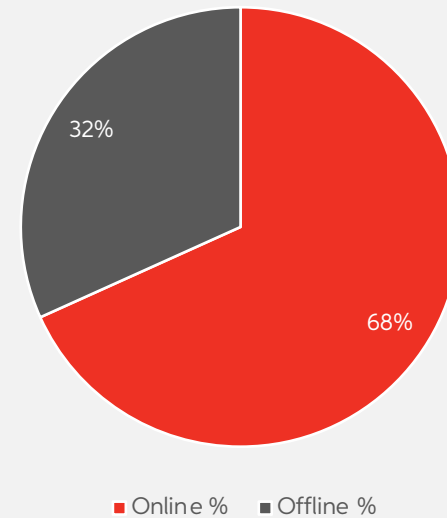
Step Selection and breakdown by Tool Access

Facility Step selection in 2020



2020 Ops breakdown varies from the previous year. 2019 Ops: Step 1 (20%), Steps 1 + 2 (27%), Steps 1 + 2 + 3 (53%)

Facility Tool choice in 2020



Use of the online tool (recommended option) increased in 2020. In 2019, 44% of facilities used the offline tool.

Verifier Bodies & Verifiers



70 approved Verifier Bodies



530 approved Verifiers

Verifier applications opened 3 months ahead of country launch

2020 Verifier retention rate of 91.4%

2020 Verifier breakdown

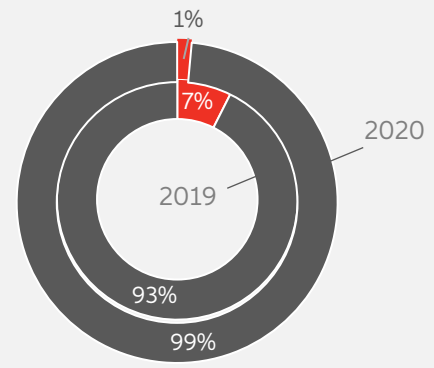
39% Female

61% Male

Up from 46 in 2019

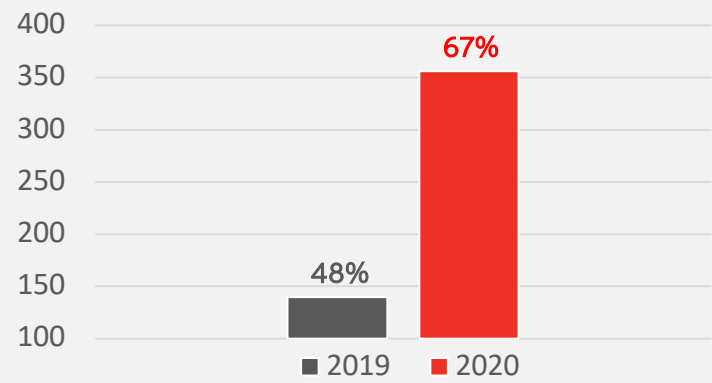
Up from 239 in 2019

VRFs by VB Type 2019 vs. 2020



Top 5 VBs accounted for 54% of total verifications done

Active Verifiers



■ 2nd Party (Brand/Retailer/Manufacture/Agent/Licensee)
■ 3rd Party (Service Provider)

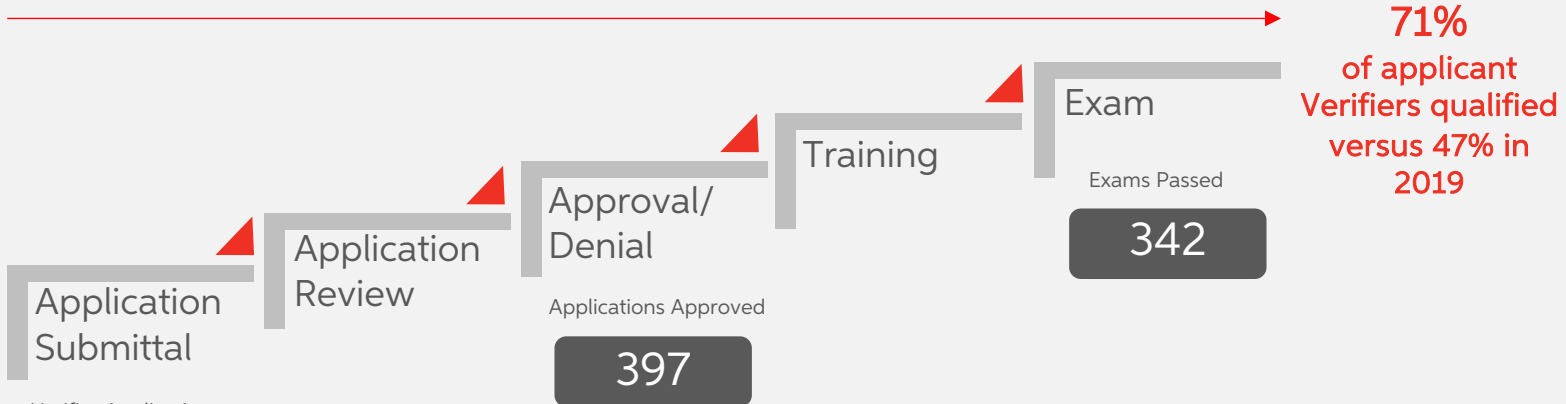
- Onboarding time for new VBs/verifiers in new countries is on average two weeks.
- Following trend 2019, majority verification done by top 3rd party VBs.

Total **44** Active VBs and **356** Active Verifiers
Active VBs and Verifiers are those that conducted verifications during the time period specified.

Verifier Body & Verifier Recruitment & Training

VB & Verifier application success rates, training & calibration meetings

Verifier Applications in 2020



Verifier Applications Submitted

483

Applications Approved

397

Exam

Exams Passed

342

Verifier Body calibration meetings:

- All meetings include calibration on both general and subject specific items with examples
- VB Administrator is required to attend or view recording
- Verifiers are also welcome to attend and ask questions

Agenda of 2020 calibration meetings



Key Take-Aways

Scaling Operations

Achievements

- 2020 revised target of 1000 verified assessments surpassed by 45%
- Increased availability of the CAF – SLCP live in over 30 countries
- Progress in scaling SLCP globally, beyond initial success in China in 2019: diversification in countries/less China dependent.
- Growing number & % of small facilities finding SLCP useful
- Number of approved SLCP Verifiers more than doubled since 2019 with geographic expansion of SLCP, additional VBs and high Verifier retention
- Even distribution of users between two Active Host platforms

Learnings & Opportunities

- Majority of facilities went through the SLCP assessment process in the second half the year. A natural cycle that we need to take into account in workstreams (e.g. in support?)
- Continue to diversify countries in which SLCP is available and used. Facility profile growth is already moving in the right direction.
- Relatively high % of inactive VBs and Verifiers. Ensure VBs and Verifiers have a pathway to success and continue with status maintenance program to ensure qualified Verifiers.
- Handful of (global) 3rd party firms are taking a majority of SLCP assessments. Ensure:
 - SLCP VB qualification selection remains inclusive
 - Options of choice and healthy competition on services
 - Focus on availability of local Verifiers to ensure continuation of the assessment process when e.g. travel restrictions are in place
 - Strict quality standards for VBs to ensure only good performers remain in SLCP
- Consolidation of AHs. Need to ensure there are platform options, healthy competition for services, as well as business opportunities for AHs.



User Experience

To increase user experience in 2020, SLCP sought to expand and enhance training, services and support materials to enable more facilities to access and use the SLCP assessment process. These additional measures enabled a smooth user-journey for end-users to access reliable SLCP verified data, with the facility's permission.

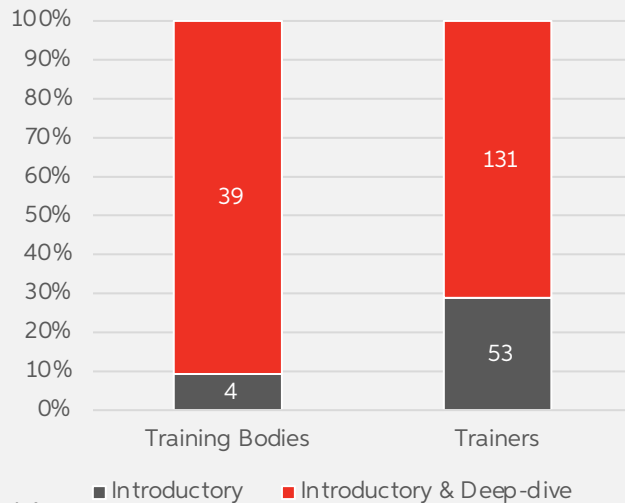
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Training Program

Facility Training & Training Bodies

In addition to delivering an online Facility Training Program, SLCP implemented a “Training Body” program in 2020 that saw over 180 individuals from signatory organizations onboarded as SLCP trainers, qualified to deliver either introductory or deep-dive training.

Training Bodies & Trainers onboarded in 2020

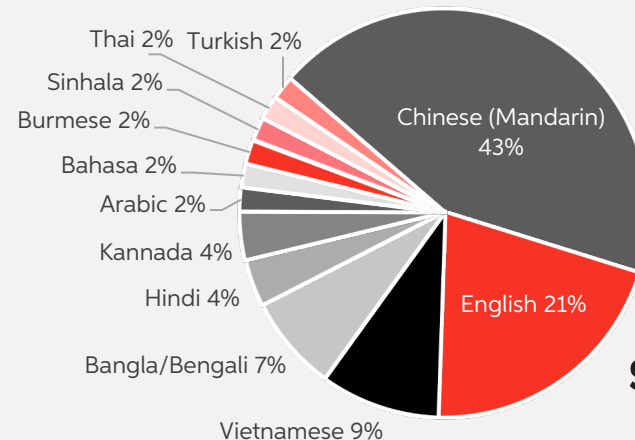


Facility Training (delivered by SLCP)	Number of sessions	Unique attendees	Avg. number of sessions attended by individuals	Average course rating (Out of 3)
In English	5	265	2.47	2.9
In Chinese	5	526	2.78	2.9
In Spanish	4	201	2.55	3.0
Training Program	Number of sessions	Average number of attendees per session	Average course rating (Out of 3)	Average trainer rating (Out of 3)
Training by Training Bodies	54*	70	2.9**	3.0**

*15 introductory sessions and 39 deep-dive sessions

**Based on feedback forms received for 35 of the training sessions

Language of training sessions conducted



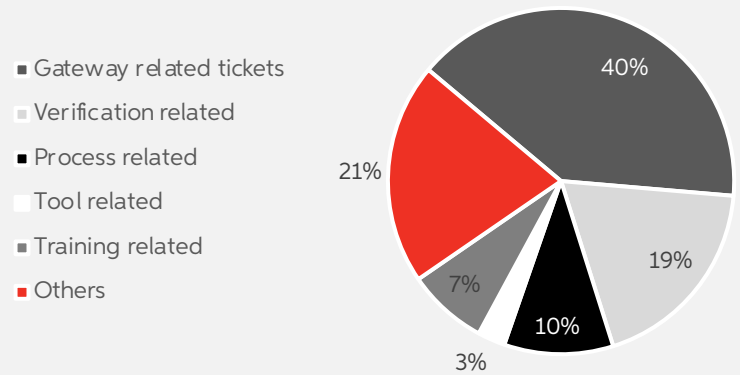
Helpdesk Support

FAQs and Helpdesk Tickets

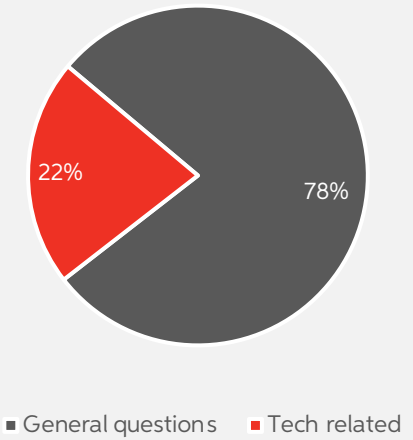
In 2020, Helpdesk FAQs were reviewed, updated and restructured to be more user-friendly. By the end of 2020, over 125 FAQs were available in 8 languages.

The SLCP Helpdesk Support Team responded to tickets in 3 languages, escalating to the Verification Oversight Organization (VOO) or Accredited Hosts (AH) where necessary. Straightforward inquiries received a response within one-two working days.

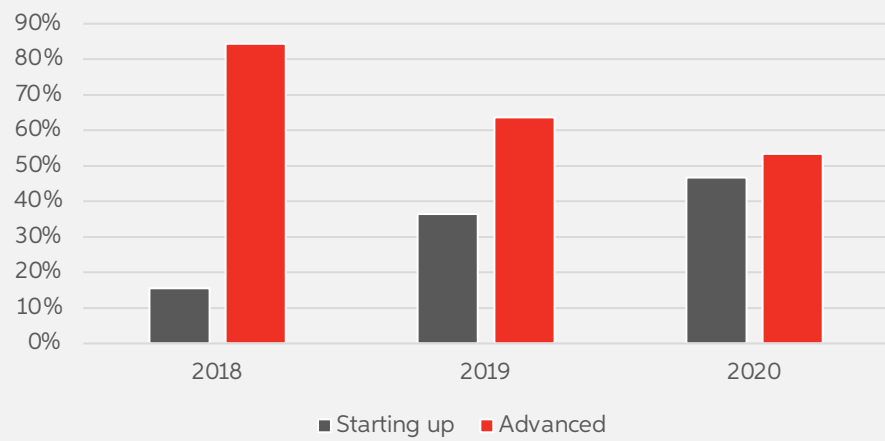
Ticket breakdown by type



General vs technical tickets



Ticket breakdown by assessment phase



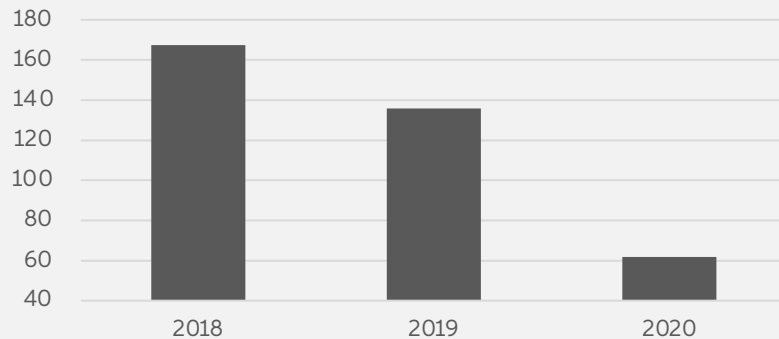
Tickets per verified assessment

2019 - 2.5
2020 - 1.6

Facility Experience

Assessments/Gateway

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



The average time for a facility to complete the SLCP assessment & verification process from has decreased in 2020 compared to 2019. 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.

Facility Feedback

Feedback Surveys

Percentage of facility surveys with positive feedback:

2020:
57%

2019:
62%

Comments from facilities:

What could be improved in the SLCP training and process?

- *The training is not enough to clarify the main meaning of each question, causing us to misunderstand the questions.*
- *Please improve the Mandarin translation for the self-assessment questions or it may confuse the facility.*
- *Sharing my completed verified assessment report from the Gateway to other Accredited Hosts should be easily available from the dashboard.*

Feedback themes identified:

- Most feedback was related to the 'user friendliness' or 'ease of use' of the Data Collection Tool or the Accredited Host operation (technical infrastructure)
- Other common feedback was related to language translation (mostly Mandarin) in the training or in the Tool that led to different understanding of questions
- Facilities' feedback on the professionalism and performance of the VB/Verifiers was mostly positive, highlighting opportunities for system improvements in ease of use

Verifier Feedback

Post Verification Surveys & Quarterly Surveys

Percentage of post-verification Verifier surveys with positive feedback:

2020:
89.9%

2019:
87.3%

Comments from Verifiers regarding the conduct of the facility:

- *This is the first time that the facility conducted the SLCP verification. Normally, the facility conducted Social Compliance Audit. Hence, the facility misunderstood many of SLCP questions which leads to lots of inaccuracy questions.*
- *The facility was transparent, open and honest. The management was cooperate during the verification process.*
- *The facility management was prepared for the verification process and very transparent and honest. However, the facility did not upload anything, adding to the task of the Verifier.*
- *Facility attempted to spin the answers in many cases so that their responses were more favourable to the image they chose to uphold. Even though they were reminded that it's for their benefit, they treated it as an audit.*
- *The Management is very receptive and cooperative throughout the verification, since the SLCP verification new program for them , hence they not aware of many questions listed in the SLCP questionnaire. however finally we manage to complete the verification successfully.*

Verifier feedback surveys following verification:

The majority of the feedback was positive. The most negative feedback was related to the preparation of the facility for the verification.

- Most Verifiers answered Neutral or Disagree to the question “The facility was well prepared for the verification.”
- According to many Verifiers, facilities often misunderstood SLCP, the questions, and the ‘not an audit’ philosophy

Quarterly Verifier feedback surveys:

- Verifiers find the Protocols and Guidance useful resources for understanding the rules of the verification
- The majority of complaints were about the user friendliness of the Accredited Hosts and the Data Collection Tool (consistent with facility feedback)
- Common complaints related to lost data, instability, crashing and bugs with saving data

Key Take-Aways

User Experience

Achievements

- Quick turnaround from in-person to online training events. Widespread take-up & positive feedback for facility training webinars and Training Body onboarding program
- Reduction in Helpdesk tickets - 1.6 tickets per verified assessment in 2020 compared to 2.5 in 2019
- Greater facility use of online tool (more efficient for the facility)
- Significant reduction in average time taken to complete an assessment
- Strong Verifier appreciation of SLCP guidance documents

Learnings & Opportunities

- User-friendliness of the Data Collection Tool will be improved in CAF v1.4
- Training Bodies are great partners for training in local languages and for general support in translations and training materials
- Helpdesk tickets related to technical difficulties are only 22% of all tickets but take the most time to solve. Continuous improvement to the system will free up Helpdesk resources.
- Emphasize facility readiness for verifications and point toward new Facility Guidance for CAF v1.4
- Highlight the questions that are often misunderstood in trainings to better prepare facilities for assessments

Data Quality

High-quality, trustworthy data is key to the success of SLCP. In 2020, a range of QA activities were conducted by the Verification Oversight Organization (VOO) and new measures were introduced, such as regular calibration meetings for all Verifier Bodies, and Verifier Body scoring. At the beginning of 2021, SLCP also launched a [public QA dashboard](#).

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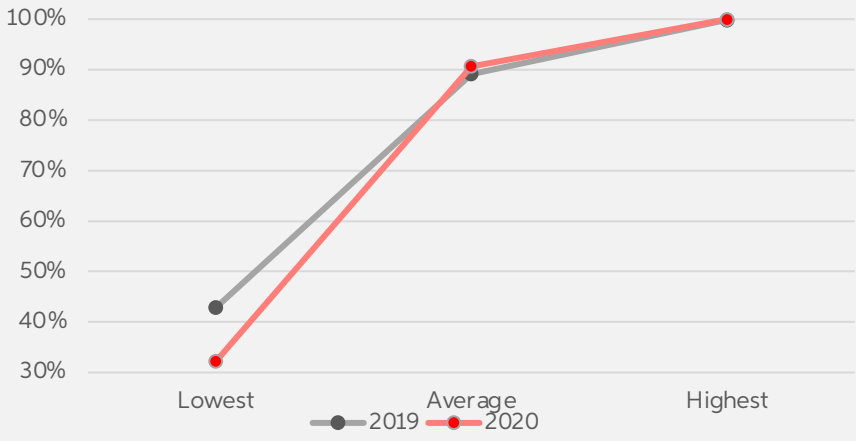
Data Integrity

Accuracy of facility self-assessments and type & length of verification

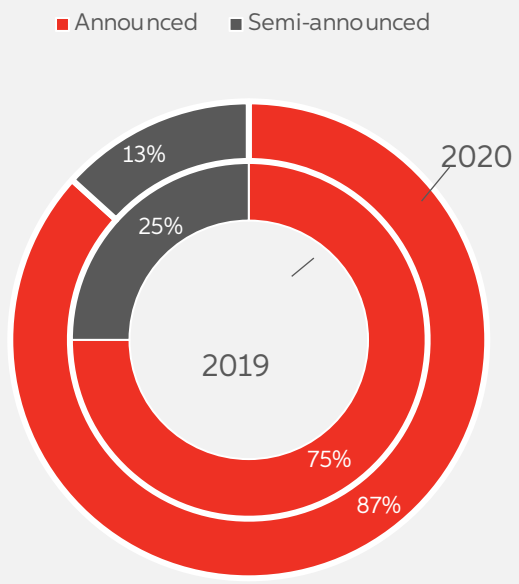
The SLCP Verification Oversight Organization (VOO) is responsible for ensuring integrity of SLCP verification and quality of verified assessment data, following the procedures as laid out in the [SLCP Verification QA Manual](#)

Accuracy rates* over 2 years

*Accuracy rate indicates the overlap between self/joint assessed data and verified data



Verification type 2019 vs. 2020



In 2020 the average person day verification took 3.7 days; this is 10% reduction from 2019 (4.2 days). Relatively more verifications were done as semi-announced versus announced (25% 2020 – 13% 2019).

QA Activities and Outcomes

Automated Quality Checks

What are automated checks?

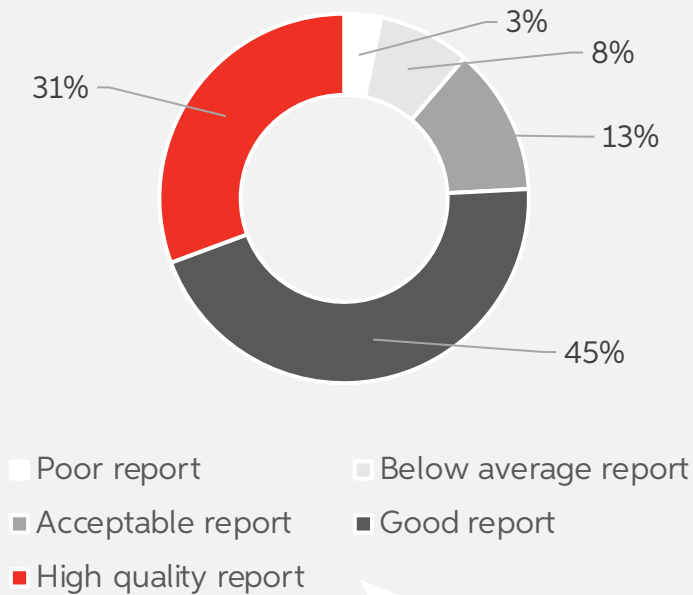
- Introduced in Q4 2020 & already completed **700+ verified assessments** submitted by Verifiers (in 2020 Ops)
- **20 checks** on each verification prior to report going to facility for review, covering **3000+ data points** in total
- It takes **3 minutes** to automatically check each verification
- If an issue is found, **Verifiers are immediately informed**
- **VOO is informed** whether the Verifier takes action as a result

Total Number of verifications automatically checked in 2020	1145
Total number of verifications that had at least one error	503
Total number of verifications which had some fixes by the Verifiers after checks failed.	239
% of failed assessments which had fixes	47.5
% of total assessments which had one failed check	43.9

QA Activities and Outcomes

Desktop Reviews

Distribution of Desktop Reviews Report Quality (2020)



88% of reports reviewed were found to be of sufficient quality (ranging from acceptable to high quality), up from **76%** in 2019

Desktop Reviews 2020 Ops:

Average of 7.9 'mistakes' found per report, down from 13 in 2019.

(SLCP report on average contains approx. 1500 data points)

2020 Desktop Review Findings

- General trend is fewer 'mistakes': 42% reduction from 2019 Ops
- 90% reports in the range of acceptable – high quality
- Mistakes/issues found: 50% of reports “Verification Selection not entered properly” or “Insufficient verification data”

QA Activities & Outcomes

Duplicate, Shadow and Counter Verifications

2020 Duplicate Verification Findings:

- All Duplicate Verifications done indicate moderate to high agreement between the original verification and the Duplicate
- Reduced variance between verification and Duplicate compared to 2019 Ops
- Main issues found:
 - Verifier not properly raising legal flags
 - Differing degrees of knowledge and experience between Verifiers
 - VB not providing up to date resources to Verifiers
- Two VB's conduct a Duplicate Verification to insure consistency.

2020 Shadow Verification Findings:

- Average Verifier score from Shadow verifications:



- Main issues found were in areas of Time Management, Procedure (e.g. explaining SLCP transparency, union/worker rep meeting before closing meeting), Preparation (insufficient research on facility)
- For a shadow verification the VOO joins an on-site verification as an observer

Duplicate Verification Findings	2019	2020
Max Variance	28%	18%
Average Variance	15.71%	14%

2020 Counter Verification Findings:

- All Counter Verifications were 'acceptable'
- Fall in quality between 2019 and 2020
- Main issues found use of "audit" mentality when evaluating accuracy of data; missing H&S issues during verification

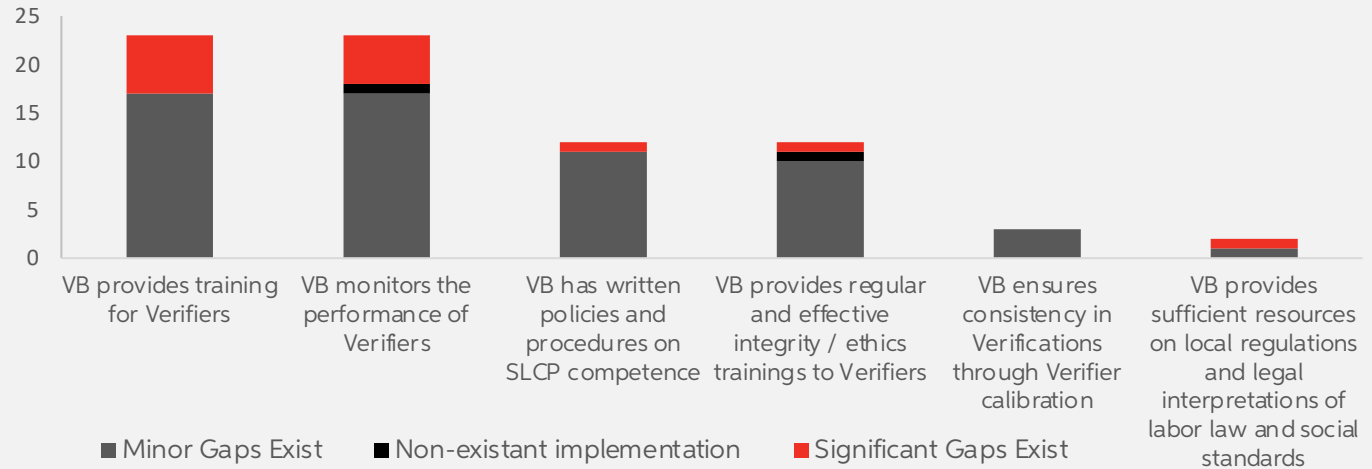
QA Activities & Outcomes

VB Management Systems Checks and VB Scores

In 2020, the VOO carried out VB Management Systems Checks on all active Verifier Bodies.

The average score was 4.24 out of 5.

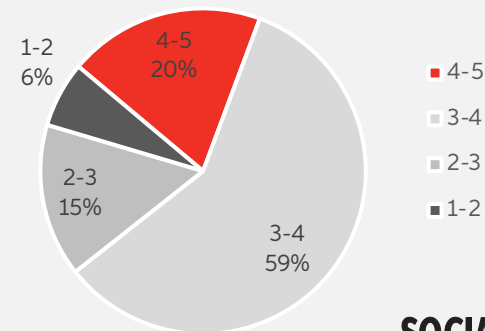
Most common deficiencies found in VB checks



Based on all Verifier exam results, and all QA activities conducted, the VOO provides a performance score to each VB.

- Average VB score is in the 'moderate' range
- Slightly increasing scores over the year (2020) but likely to remain flat as experienced Verifiers are balanced by new inexperienced Verifiers

Breakdown of Verifier Bodies by overall performance score



Key Take-Aways

Data Quality

Achievements

- Desktop reviews show that identifiable issues in verified assessments were reduced significantly in 2020, likely due to new measures and increased Verifier familiarity with SLCP
- Introduction of automated checks provides an efficient & scalable method for checking data **on all SLCP verified assessments**
- Introduction of VB and Verifier scoring
- Introduction of VB calibration meetings

Learnings & Opportunities

- 2020 QA data is still heavily skewed towards China; 2021 data will be more representative
- Slightly increased % of semi-announced verifications (vs announced) compared to 2019.
- Reduced completion time (start to end assessment & verification) and reduction in person days for verification (10%), indicating learning/efficiency compared to 2019
- Average Verifier score has stayed flat (high number of new Verifiers offsetting increased experience of existing Verifiers)
- Duplicate and Counter Verifications suggest some inconsistencies between Verifier knowledge levels & highlight need for enhanced collaboration and training
- Verifier and VB scoring is not yet statistically relevant

Data Usage

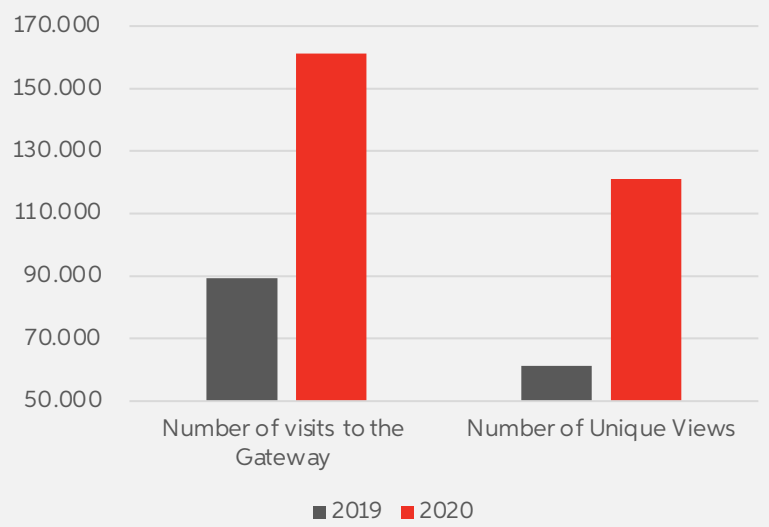
SLCP relies on a decentralized model of data hosting and sharing that provides facilities and data users with a range of different platforms to choose from to complete an assessment or access the data. SLCP's objectives is for facilities to share their verified assessment with multiple buyers, thus reducing the need for repetitive social audits. In 2020 our aim was to expand the sharing of SLCP verified assessments.

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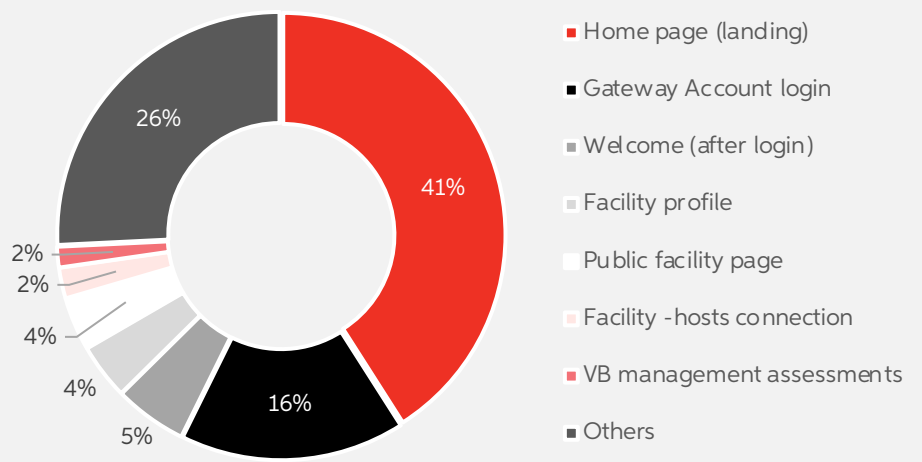
Gateway platform usage

Public list of facilities

Gateway traffic



Gateway page views

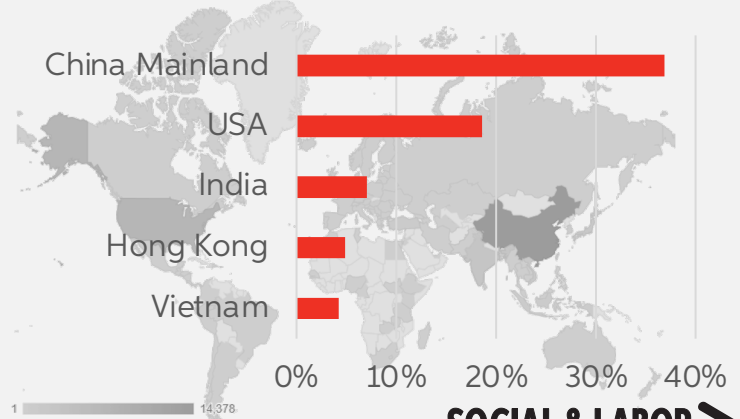


The number of visitors to the Gateway almost doubled between 2019 and 2020

New in 2020

All facilities registered on the Gateway can be found in SLCP's [public list](#) of facilities.

Top 5 Users by location



AH Platform Usage

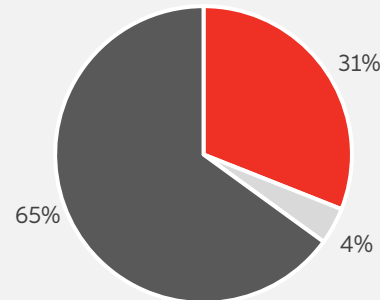
Verified Assessments (VRFs) per Accredited Host

2.1 Average Shares/VRF

(compared to 1.5 in 2019)

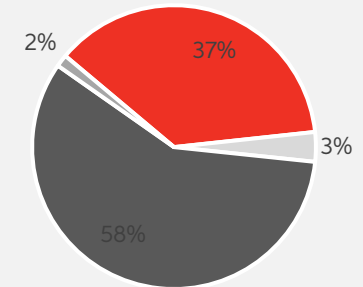
Max. shares on AH platform 15/VRF

VRF Breakdown by AH in 2019



■ FFC ■ Sedex ■ Higg

VRF Breakdown by AH in 2020



■ FFC ■ Sedex ■ Higg ■ BW

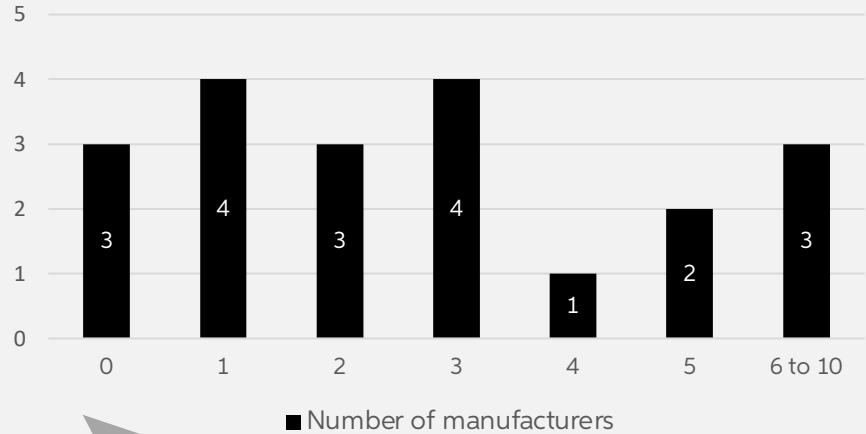
Observations

- Nearly all verified assessments were carried out on two active Accredited Host platforms.
- The split between Accredited Hosts remained fairly consistent between 2019 and 2020.
- Successful pilot (Indonesia) data sharing from Better Work platform to Gateway
- First Passive Accredited Host (Inspectorio) started in 2020
- Sedex left as Active AH (October 2020)
- AH to AH (via Gateway) sharing of VRFs is starting to happen (5% in 2020)
- 2020 pilot Higg with supply chain assessment overview ('cross host'): visibility of status verified assessments across all Accredited Hosts in the SLCP Tech eco-system

Feedback from Manufacturers

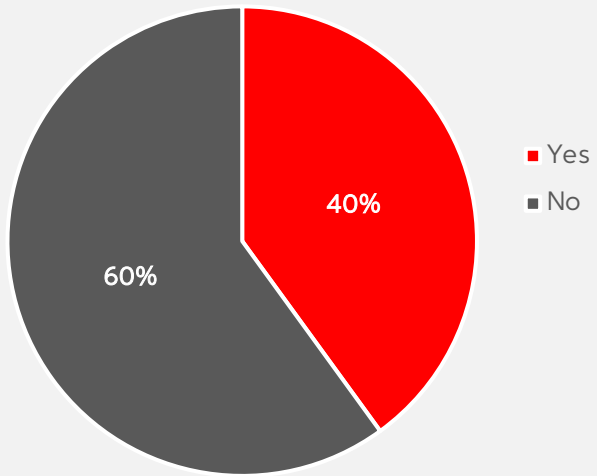
Insights from SLCP signatory survey – 20 manufacturer respondents

How many brands asked you to share SLCP data with them?



10 manufacturers (50%) had been asked to share SLCP data by 3 or more brands

Have you made use of SLCP data internally in 2020?



Manufacturer Comments:

- Our facility uses the verified assessment to correct and enhance our CSR system
- We use SLCP to evaluate the facility’s performance and to take it into account in our business decisions
- SLCP data is an important instrument to measure performance
- By sharing verified data with multiple customers, we have saved time and audit costs.

To what extent do you agree...	% agree/strongly agree
Our accuracy rating is important to us	89%
We disclose honest data as this is what our supply chain partners expect	89%

Feedback from Manufacturers

Case studies

According to a large Asian manufacturer, approximately **10 unnecessary audits** were saved by the two SLCP verified assessments conducted in 2020.

10

Turkish Manufacturer (SLN Tekstil) was able to share their SLCP verified data with **three brands**, and these brands cover about **80%** of their production volume.

80%

Abhishek Bansal - Arvind Limited :

“The textile and apparel industry is riddled with multiple annual audits, which have added limited value to all stakeholders and to the cause of social improvement in the supply chain. SLCP has helped reduce the audit burden and helped us redirect our resources towards supply chain improvements. So far during the past couple of years, we have already seen several of our clients accepting the SLCP verified data in place of proprietary audits.”

Fatos Huseyinca - Yesim :

“Audit firms appointed by the brands we work with perform individual audits during the year. This situation significantly increases the cost and loss of time for our company. Thanks to SLCP, we carry out a pre-assessment in our company before the actual verification. During this assessment, we become aware of the issues that need to be improved and take action. Our approval of the report after the verification increase the sense of ownership, reliability and fairness. SLCP is reducing our audit costs.”

Feedback from Brands

Case studies



Puma on SLCP benefits

- The extensive nature of the SLCP verified data set has helped to identify issues for remediation.
- Onboarding new suppliers can be a significantly faster process if they already have an SLCP verified assessment.
- SLCP is an ideal tool for building long-term relationships with suppliers and supporting them to own their social and labor data.



Aldo on SLCP benefits

- Provided a comprehensive tool to collect social and labor data
- Successfully reduced audit duplication in ALDO supply chains
- ALDO vendors could redeploy resources to improve working conditions
- Highlights supplier ownership which promotes long-term relationships

Industry Acceptance of SLCP Data

List of brands & organizations accepting SLCP verified data

In Q4 2020, SLCP launched a list of brands & organizations accepting SLCP verified data. Signatories and non-signatories opt-in on a voluntary basis. By the end of 2020, the list included **37** brands & organizations.

 adidas	 Aldo Group	 American Eagle	 ASICS Corporation	 C&A	 Columbia Sportswear	 Deckers Brands	 Delta Galil
 Eileen Fisher	 Fanatics	 Fast Retailing	 Fenix Outdoor International	 G-Star RAW	 Gap Inc	 H&M Group	 Inditex
 KappAhl	 Kathmandu	 Komar Brands	 Lojas Renner	 MEC	 MUD Jeans	 New Balance	 Nike
 Outerknown	 OVS Spa Grigio	 PUMA	 PVH Corporation	 Randa Accessories	 REI	 SAC	 Target

33 Signatories accepting verified data is currently **46**

 Under Armour	 VF Corporation	 WE Fashion	 Williams-Sonoma	 Zalando
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Key Take-Aways

Data Usage

Achievements

- Multiple AHs being used for data collection & verifications and sharing.
- Significant increase in visitors to the Gateway
- Sharing of verified assessments AH to AH is beginning to happen.
- Increased understanding and appreciation Manufacturers and Brands on data use options
- Over 35 brands & organizations publicly committing to accept SLCP verified data
- Even distribution of users between two Active Host platforms

Learnings & Opportunities

- 2020 showed consolidation towards two Active AHs.
- SLCP to consider reviewing business proposition and contracts with AHs.
- Continue to drive adoption and acceptance of SLCP data to further increase sharing of VRFs
- Ensure that quality control measures are in place to give confidence that SLCP data is honest and accurate



Progress on Vision & Mission

SLCP's vision is to improve working conditions and our mission is the implementation of the Converged Assessment Framework. To achieve this, SLCP is following a 5-Year Strategic Plan that sets out four concrete aims: industry adoption, resources unlocked, data access & comparability and financial resilience. In the final chapter of this report, we summarize progress against our strategic aims.

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➤ Key take-aways	40

Relevance and Adoption

CAF Review and Collaboration with Better Work

2020: development of CAF v1.4 (together with Better Work)

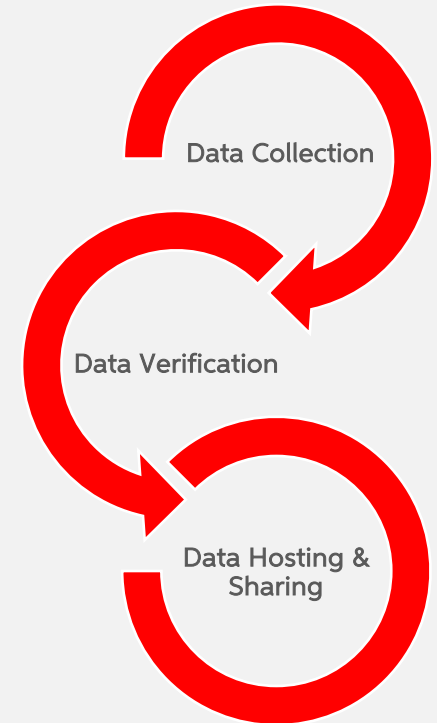
1. Reduction in number of data points in the Tool
2. Redefinition of Steps in the Tool
3. Law Overlay for international labor standards and national labor law
4. Improved Offline Excel user interface
5. Facility Guidance (new)

V1.4 Improvements & benefits: legislation alignment, more relevant & actionable, shorter, more user-friendly, better inclusion for worker voice. This will lead to **more support** for SLCP & the CAF and **wider adoption** in the future.

CAF v1.4 will be launched Q1 2021. This includes a planned joint roll-out in Better Work Countries and integration of the Tool in the BetterWork program.

Find more detail on CAF v1.4 by [visiting our Helpdesk](#).

Better Work and SLCP are discussing further opportunities for alignment and collaboration.

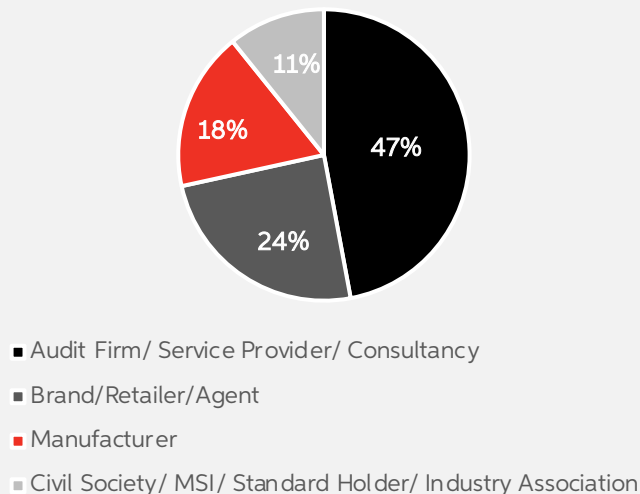


Scalability

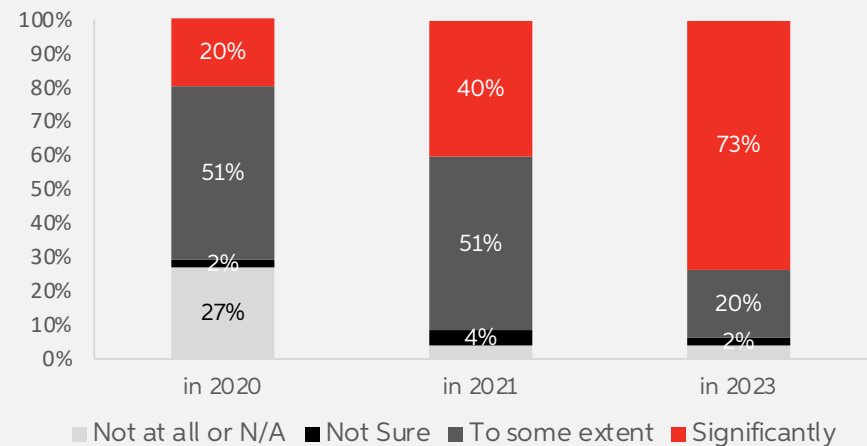
Replacing Proprietary Tools

2020 SLCP Signatory Survey (46% response rate)

Breakdown of Survey Respondents



Q: We have been able /will be able to use the CAF instead of our proprietary tools



Comparison of 2019 to 2020 Survey Results:

- 71% of signatories reported using the CAF instead of proprietary tools this year (compared to 46% in 2019)
- In 2019, 78% of signatories reported their expectations to use the CAF instead of proprietary tools in 2020 (compared to 71% who report actually using it in 2019)
- 93% now expect to use the CAF instead of proprietary tools in 2023 (compared to 73% in 2019)

Impact

Resources unlocked for redeployment in improvement programs

Estimation of Resources Unlocked in 2020



**This is the estimated average share per report in 2020*

***Many SLCP signatories invested time and resource in 2020 to implement SLCP within their supply chains. This included training, awareness-raising and updating/ changing internal systems to ensure SLCP compatibility. At this early stage of SLCP roll-out therefore, the resources unlocked through SLCP may be offset by the cost of implementation.*

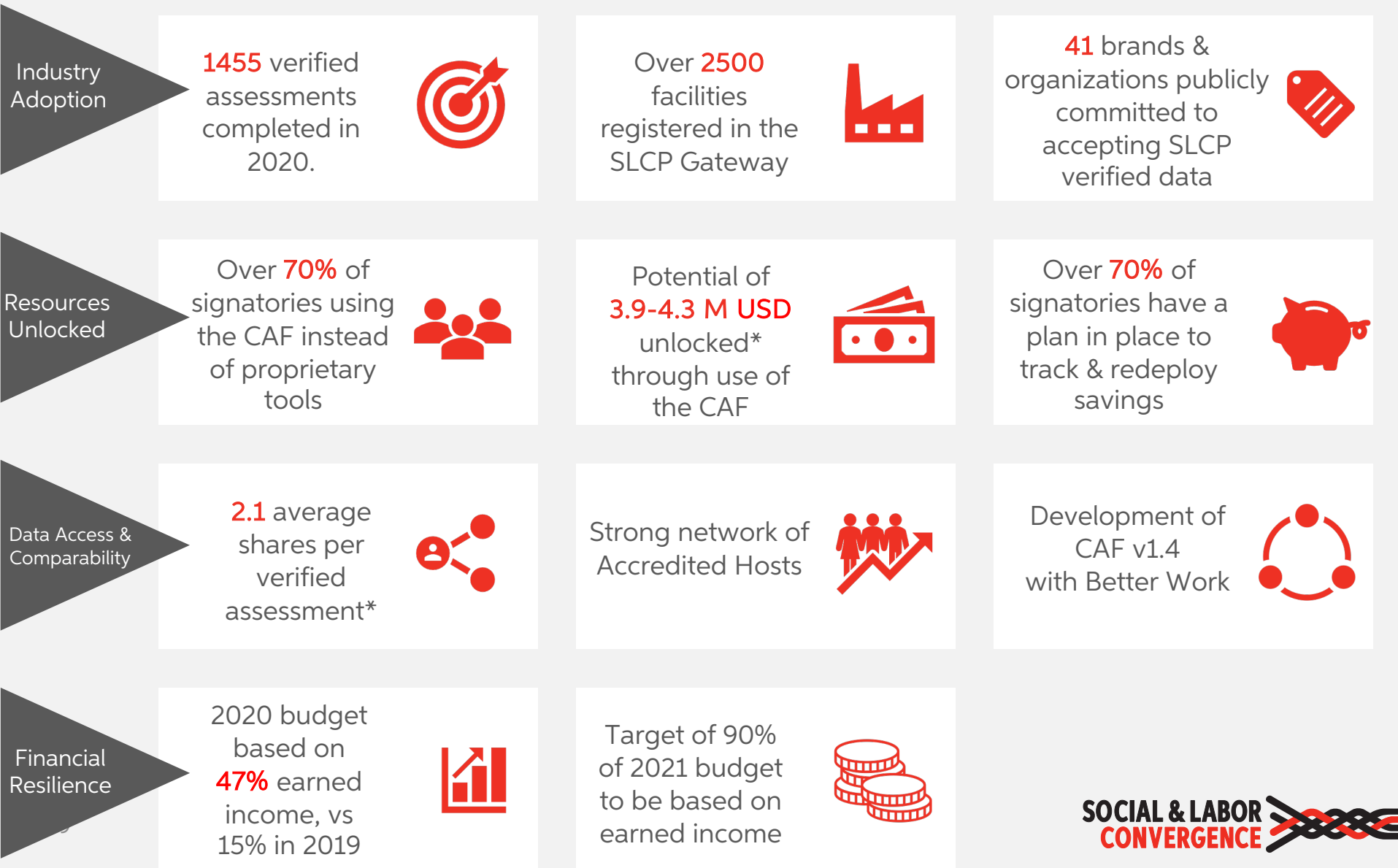
Applying the calculation methodology used in our 5Y strategic plan, SLCP 2020 Operations theoretically unlocked **\$ 3.9 – 4.3 M USD****.

2020 SLCP Signatory Survey (46% response rate)

To what extent do you agree...	% agree/ strongly agree 2020 Survey	2019 Survey
We redirected resources saved by the CAF in 2020	20%	15% anticipated a saving in 2020
We anticipate redirecting resources saved by the CAF in 2021	31%	-
We anticipate redirecting resources saved by the CAF in 2023	63%	62%
We have a plan in place to measure and track the savings generated by the CAF and to redirect resources to activities which directly benefit workers & their communities	72%	27%

2020 Progress Against Strategic Aims

Key achievements against strategic goals



Key Take-Aways

Mission & Vision

Achievements

- Signatories are committed to using SLCP in place of their proprietary tool. 2020 revised adoption targets of 1000 verified assessments surpassed expectations, prospects 2021 and beyond are positive.
- Signatories committed to redeploy resources towards improvement programs
- Collaboration with Better Work on development of CAF v1.4
- Increased % earned income (47%) compared to 2019.

Learnings & Opportunities

- COVID-19 did create set-back in adoption, but at the same time reinforced the need for convergence and collaboration.
- Continued focus on impact: scale adoption, increased sharing per VRF, reduced #man days verification (while maintaining data quality).
- Broaden scope of acceptance SLCP verified assessments. Diversification brands/product groups, standard holders.
- Prioritize data access and insights on verified assessments (partner with specialist organizations).
- Proceed with trend on financial resilience at organization level.

Glossary of Terms

- CAF - Converged assessment framework
- VB – Verifier body
- VRF – Verification finalized
- AH – Accredited host
- VOO – Verification oversight organization

Thank You!

SLCP would like to thank all the signatories that supported SLCP implementation in 2020.

Feedback and further information:

- Please contact info@slconvergence.org for feedback or questions
- Please visit the [Gateway](#) for the latest information on SLCP roll-out
- For questions about the SLCP assessment & verification process, consult the [FAQs](#) on our helpdesk

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