

Position Paper: The EU and its member states should recognize SLCP as an accelerator and solution provider to European Human Rights Due Diligence implementation

Outcome sought

Europe, both at an EU level through the Commission and at a national regulatory level through states, should adopt a 'smart mix' approach to due diligence in textile and garment value chains. The 'smart mix' solution should involve not only legislation, but coordinated and integrated policy initiatives and credible tools like SLCP's Converged Assessment Framework (CAF) to implement due diligence. In addition, the Commission should allow SLCP verified data to be a reference to prove due diligence and drive improvement actions and policy decisions.

Context

The UN Guiding Principles (and other frameworks) have made us increasingly aware of the role different stakeholders have in implementing sustainable practices in global value chains. Increasingly, states have taken a more active role in this regard in protecting their citizens in the workplace and guiding multinational enterprises (MNEs) in value chain policy. To achieve lasting improvements in working conditions throughout textile, apparel and footwear supply chains and beyond, it is essential to enable and enforce binding labour laws by strengthening local government ownership. Secondly, to achieve lasting improvements, governments and intergovernmental organizations should guide MNEs to implement good practices and follow mandatory Human Rights Due Diligence in value chains, such as what the European Commission (and several member states) are proposing. **Companies (manufacturers, brands and retailers) need appropriate tools to comply with the policy and legislation. On the other hand, in order to drive decisions and monitor the effectiveness, policy makers need credible, comparable, and actionable verified data on social conditions in value chains.**

SLCP's CAF and the verified data is addressing these needs: SLCP's CAF was created in full alignment with the OECD Due Diligence Guidance and is adopted at scale and widely supported. For this reason, SLCP and its partners are positioned to support the European Commission, member states and other stakeholders on this opportunity to implement mandatory due diligence in global supply chains, both in textiles and beyond.

About SLCP

SLCP ([Social & Labor Convergence Program](https://slconvergence.org)) is a multi-stakeholder initiative, with over 240 Signatories. SLCP's mission is to improve working conditions in global supply chains through collaborative action from textile, apparel and footwear industry leaders and beyond. To achieve this, SLCP has created a Converged Assessment Framework (CAF), which is currently widely supported and implemented across the industry.

SLCP Signatories include not only brands and manufacturers, but also government (related) organizations such as the Danish Ministry of Foreign Affairs and the Dutch Agreement on Textiles.¹ Moreover, SLCP has a strategic partnership with the United Nations and World Trade Organization through its agency the International Trade Center (ITC). ITC, with support from the European Commission (DG INTPA), developed the 'SLCP Gateway',² which serves as the central repository and sharing mechanism for SLCP verified assessments.

SLCP collaborates with several other key global initiatives and organizations, serving as a driver for collective action and an enabler to improve working conditions.³

¹ See SLCP Signatory List, available at: <https://slconvergence.org/signatories>

² See SLCP Gateway, available at: <https://gateway.slconvergence.org/home>

³ See SLCP's Collaborations. Available at: <https://slconvergence.org/collaboration>

SLCP's data collection & sharing process eliminates the need for repetitive and duplicative audits, thus combating audit fatigue and freeing up resources. By facilitating collaboration and unlocking savings, SLCP will drive tangible and lasting improvements to working conditions, as well as creating comparable data sets on social conditions that can accelerate transparency.

SLCP's growing support and scale

Since SLCP's launch in mid 2019, it has experienced exponential growth. It is supported by the world's leading brands, manufacturers and standards holders, who have publicly committed to accept SLCP verified data instead of proprietary audit tools.⁴

In 2021, SLCP has rolled out in 50+ countries and we expect 4,000-5,000 factories will be using the CAF and sharing their verified assessments with multiple stakeholders through the SLCP Gateway. This unlocks a potential of 10 million USD for redeployment to programs which improve working conditions. Further rapid scaling is expected in the next few years, which will have the potential of over 100 million USD/year unlocked resources available for investments into better working conditions for millions of workers across the world. In addition, this opens up the possibility to analyze credible and comparable data for the industry at large and by sector/issue etc. This provides a tremendous and new opportunity for researchers, policy makers and other stakeholders to draw conclusions and recommendations and drive decisions based on actionable data.

SLCP and European policy on Due Diligence

SLCP, its CAF and the corresponding verified social & labor supply chain data can play an instrumental role in executing both EU and national level regulatory policy on mandatory Human Right Due Diligence in the Textiles and Garment Sector. The most relevant aspects are identifying risks and tracking progress, the decision to embed the company policy and extent to which companies disclose information through the CAF will depend by company.

⁴ See SLCP's Acceptance List. Available at: <https://slconvergence.org/slcp-data-acceptance>

SLCP's CAF is strongly aligned with the OECD Due Diligence Guidance⁵ approach. This is demonstrated in three ways:

1. *Approach*: SLCP is built on principles of industry/stakeholder collaboration, harmonization of assessments, accountability, driving transparency;
2. *Process*: SLCP's CAF process covers and follows the relevant steps in Due Diligence as described in the OECD Due Diligence Guidance. It specifically addresses:
 - Step 1: Embedding in company's policy,
 - Step 2: Identify risks,
 - Step 4: Track progress, and
 - Step 5: Communicate;
3. *Content*: SLCP's CAF includes the relevant sector risks, related data points and quality checks as described in the OECD Due Diligence Guidance. This includes risks of child labor, sexual harassment, sexual and gender-based violence in the workplace, forced labour, working time, occupational health and safety, trade unions and collective bargaining, wages, responsible sourcing from homeworkers.

SLCP is an accelerator and solution provider in the implementation of the upcoming European mandatory Human Rights Due Diligence legislation. Companies can use the CAF to measure and manage Human Rights risks in the supply chain, while policy makers can use the (aggregated) verified assessments as a source of credible, comparable and actionable data to identify trends, monitor progress and inform policy decisions. SLCP's role is complementary (and already coordinated) with several national initiatives in the Netherlands⁶ and Germany and could serve member states in their due diligence adoption.⁷

A role for SLCP in the execution phase of EU policy on Due Diligence will be to:

- **Enhance transparency while dramatically reducing the duplication of social and labor assessments and audit fatigue in our industry;**
- **Shift financial resources away from assessment to performance improvement and grievance mechanisms;**
- **Accelerate a race to the top in social impacts within textile, apparel and footwear manufacturing countries at a global scale and in a multi-stakeholder process.**

SLCP is not only recognized by industry and EU member states but also producing countries. This will allow a common understanding and smoother implementation and verification of information.

SLCP calls on the European Commission and member states to adopt due diligence using a 'smart mix' approach. This involves not only mandatory legislation, but integrated and coordinated policy measures where SLCP is recognized and relied upon by authorities as proof of due diligence.

Social & Labor Convergence Program Rokin 102 1012 KZ Amsterdam The Netherlands	Janet Mensink, Executive Director Janet@slconvergence.org Ph: +31 06 30 107 819 http://www.slconvergence.org
--	---

⁵ OECD Due Diligence Guidance for Responsible Supply Chains in the Garment & Footwear Sector, available at: <https://www.oecd.org/industry/inv/mne/responsible-supply-chains-textile-garment-sector.htm>

⁶ See The Netherlands Garments & Textile Agreement. Available at: <https://www.imvoconvenanten.nl/en/garments-textile/agreement>

⁷ See The German Partnership for Sustainable Textiles (Textilbündnis). Available at: <https://www.textilbuendnis.com/en/>