Social & Labor Convergence Program (SLCP)

Converged Assessment. Collaborative Action. Improved Working Conditions.

SLCP Data Quality & Integrity Webinar
March 2022

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Objectives

- Provide stakeholders with an overview of the SLCP Verification Oversight & Quality Assurance strategy
- Highlight recent & upcoming strategy developments that strengthen SLCP data quality & integrity
- Share insights from VO & QA processes and findings
- Signpost stakeholders to further information & resources

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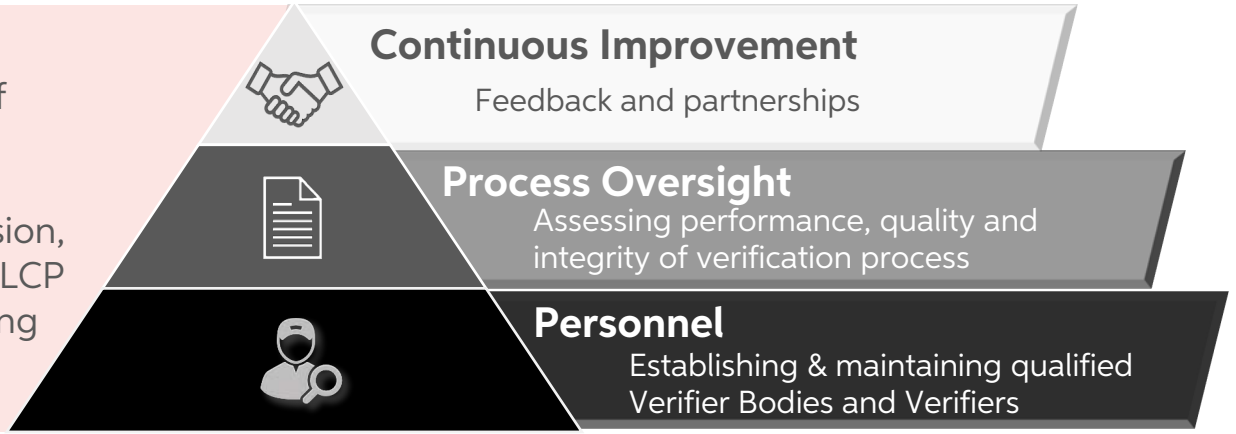
SLCP strategy for:

Verification Oversight & Quality Assurance

Goal:
Build trust in and credibility of SLCP and its data through comprehensive and rigorous processes that improve precision, consistency and integrity of SLCP verifications over time, resulting in quality verified data.



Verification Oversight Organization (VOO)

Overarching body responsible for ensuring integrity of SLCP verification and quality of verified assessment data.

Personnel

- ✓ Verifier and Verifier Body (VB) qualification requirements
- ✓ Entrance exam and e-learning trainings for Verifiers
- ✓ Quality Assurance Manual
- ✓ VB Terms of Use
- ✓ Written VB Requirements
- ✓ Qualification process and requalification
- ✓ VB systems check
- ✓ Non-APSCA VB systems special Check

Process Oversight

- ✓ VOO activities onsite and offsite
- ✓ VB scoring
- ✓ Quarterly Calibration Webinars
- ✓ Integrity Oversight Program
- ✓ Transparent Communication of Oversight Data via public QA site
- ✓ Ongoing support to Verifiers/ VBs with Helpdesk and online Q&A Knowledgebase

Continuous Improvement

- ✓ Stakeholder QA program
- ✓ Feedback Mechanisms
- ✓ APSCA Collaboration
- ✓ Transparent Communication (public QA site)
- ✓ Verification Oversight Technical Advisory Committee

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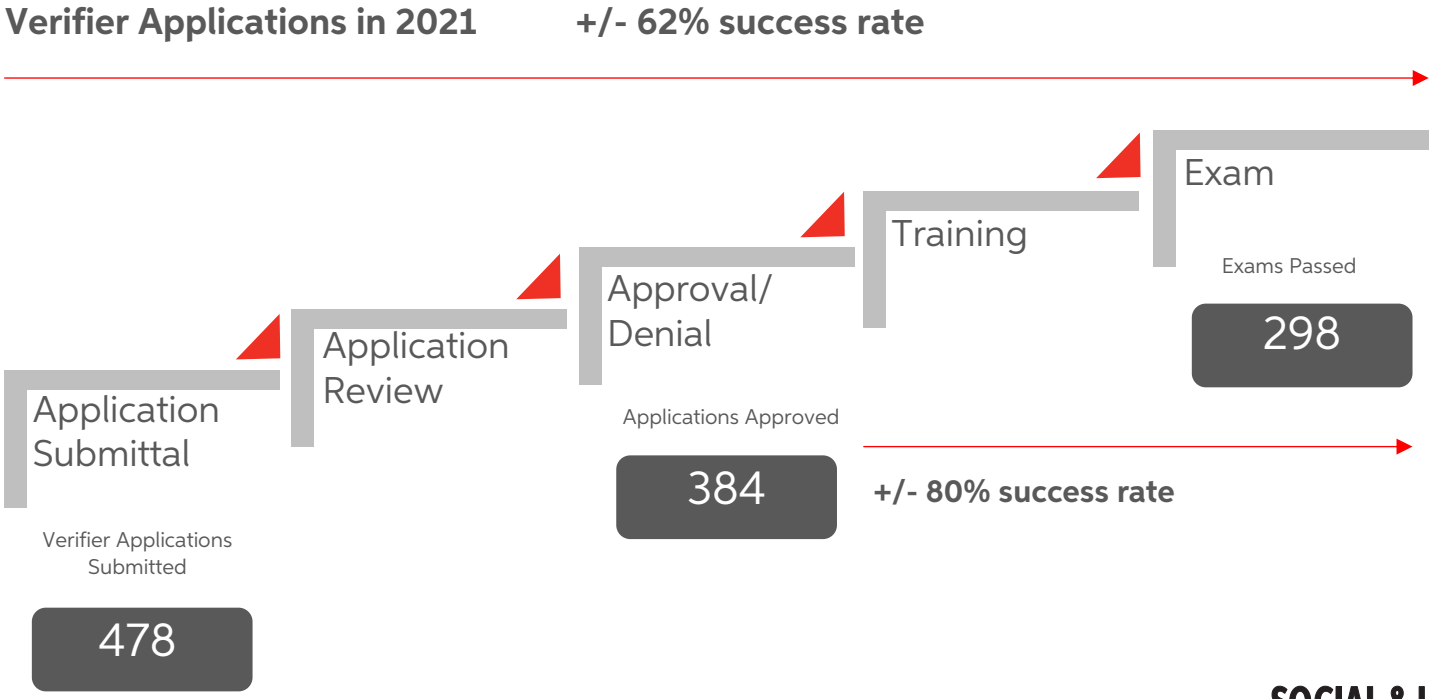
Approval of Verifier Bodies & Verifiers

64 approved Verifier Bodies

770 approved Verifiers

Process:

- VBs and Verifiers must meet eligibility criteria.
- Verifiers must take e-learning and pass an exam



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New:

Clearer VB & Verifier Responsibilities

Updates to:

- VB Terms of Use
- QA Manual
- VB Requirements Document

Better documentation of:

- Qualification process
- How to maintain qualifications

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New:

Greater alignment with APSCA

In 2021, SLCP and APSCA signed a 3-year collaboration agreement on Verifier/Verifier Body quality.

Streamlined application process:

- APSCA/Non-APSCA differentiation for VB onboarding (Provisional Status)
- Non-APSCA members need to go through additional (paid) VB management check
- APSCA certification equivalency for Verifier application approvals
- APSCA certification equivalency for maintaining SLCP approved Verifier status year over year. SLCP process aligned with APSCA Continuous Professional Development (CPD) requirements

Benefit for SLCP:
Aligning with existing frameworks for audit body & auditor integrity

New:

Greater alignment with APSCA

Additionally:

- APSCA status published on VB public list site
- As per Verifier Body Terms Of Use, SLCP permitted to communicate findings of ethics and integrity investigations to APSCA

APSCA & SLCP in 2021

- **51% of Verifier Bodies** are APSCA members
- **85% of verified assessments** were conducted by APSCA members

Building on Success

Vision

Members are trusted professionals in Social Compliance Auditing

Mission

To increase the value and effectiveness of independent social compliance audits by enhancing the professionalism, consistency and credibility of individuals and organizations perform them

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The APSCA Journey

APSCA
ASSOCIATION OF PROFESSIONAL SOCIAL COMPLIANCE AUDITORS

2002-15

Foundational Initiatives

2015

Formation of
- APSCA
- Stakeholder Board

2016

Executive Director
Formation of:
- Executive Board
- Working Groups to develop Code and Competency Framework
- 1st AGM

2017

- Adopted – Code of Conduct, Competency Framework
- Enrol Auditors
- Auditor Exam Piloted in English

2018

- APSCA Incorporated in USA
- Auditor Exam Pilot in Chinese
- Launch Audit Firm Application
- Launched first Part of three Part exam in English

2019

- Launched first two parts of three-part exam in 3 additional languages
- Pilot Part III in 4 Languages
- Adopted Code & Standards
- First Ethics Board Meeting
- 42 Certified Auditors

2020

- Launch final part of exam in 4 languages
- First Audit Firm Ethic Committee meeting

2021

- Launch first two parts in six new languages
- 1,200 Certified Auditors

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APSCA - Today

APSCA
ASSOCIATION OF PROFESSIONAL SOCIAL COMPLIANCE AUDITORS

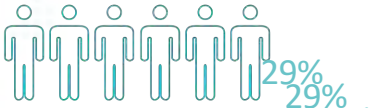
102 COUNTRIES

55 FIRMS

11,000+ EXAMS

OVER 4,700 AUDITORS

More than



1,350+ CSCA's

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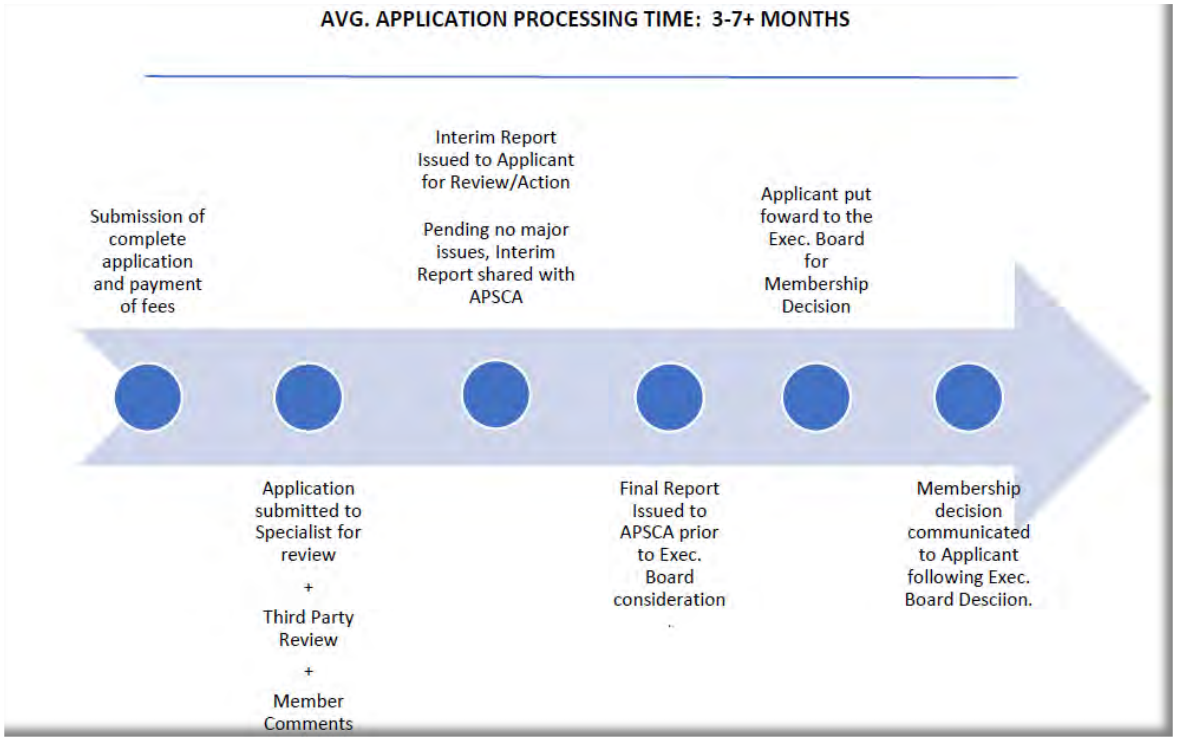
Becoming a Member Firm

APSCA
ASSOCIATION OF PROFESSIONAL SOCIAL COMPLIANCE AUDITORS



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Becoming a Member Auditor

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Registering with APSCA

Part I Exam

Auditor must work for APSCA Member Firm to enrol

Study and work with Firm

Part II Exam

ASCA works on Audit teams

Don't be scared-be prepared

Part III Exam

CSCA leads Audit teams

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Membership Reporting

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Quarterly Reports on Audits conducted by Member Firms

102 COUNTRIES

55 FIRMS

OVER 4,500 AUDITORS

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Ethics Team Overview and Workflow

1. Process Allegations/Complaints

2. Assess Allegations:

- ✓ Are they credible?
- ✓ Are they within our scope?
- ✓ Do they violate the APSCA Code & Standards of Professional Conduct?

3. Following up, we may:

- ✓ Ask Member Firms to investigate and provide us with an investigation report.
- ✓ Follow up with subjects of the allegation and other parties involved, and request additional information.
- ✓ Facilitate a third party investigation, if needed.

4. Present case to Disciplinary Board for Member Auditors (DBMA)

5. Communicate DBMA decisions to relevant parties.

APSCA
ASSOCIATION OF PROFESSIONAL SOCIAL COMPLIANCE AUDITORS

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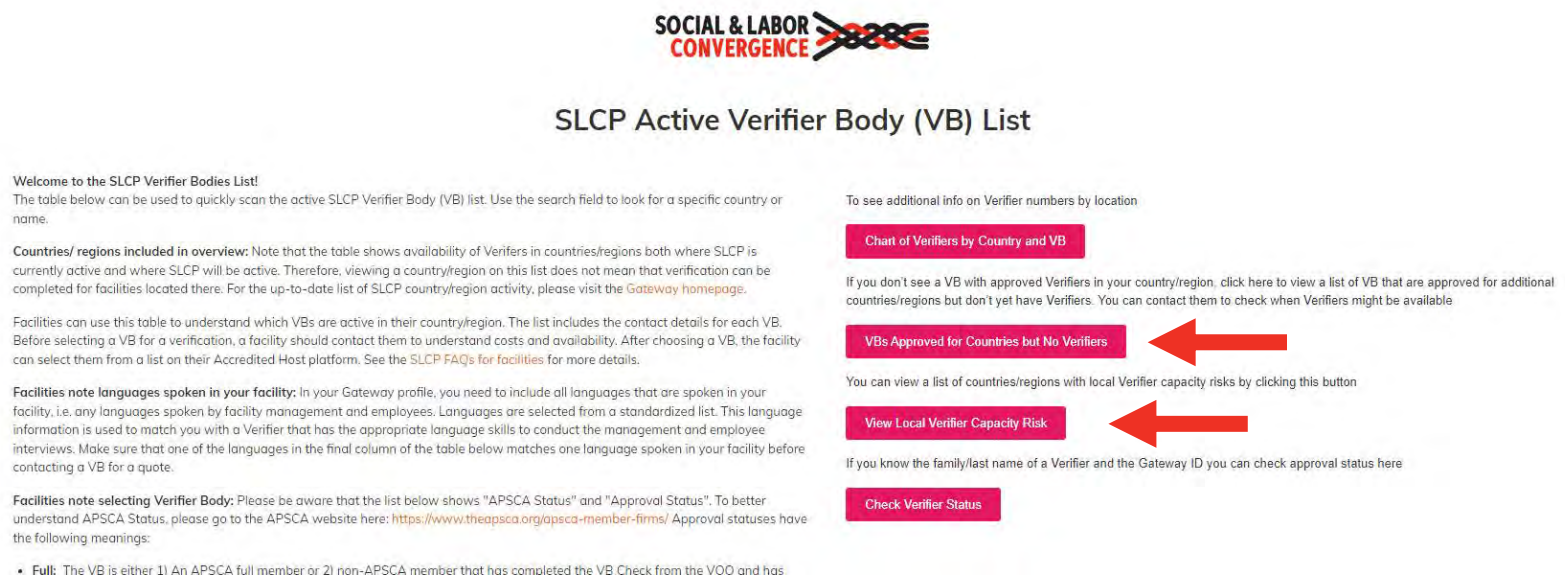
New:

Improved comms on Verifier capacity

Public list of Verifier Bodies



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SLCP Active Verifier Body (VB) List

Welcome to the SLCP Verifier Bodies List!
The table below can be used to quickly scan the active SLCP Verifier Body (VB) list. Use the search field to look for a specific country or name.

Countries/ regions included in overview: Note that the table shows availability of Verifers in countries/regions both where SLCP is currently active and where SLCP will be active. Therefore, viewing a country/region on this list does not mean that verification can be completed for facilities located there. For the up-to-date list of SLCP country/region activity, please visit the Gateway homepage.

Facilities can use this table to understand which VBs are active in their country/region. The list includes the contact details for each VB. Before selecting a VB for a verification, a facility should contact them to understand costs and availability. After choosing a VB, the facility can select them from a list on their Accredited Host platform. See the SLCP FAQs for facilities for more details.

Facilities note languages spoken in your facility: In your Gateway profile, you need to include all languages that are spoken in your facility, i.e. any languages spoken by facility management and employees. Languages are selected from a standardized list. This language information is used to match you with a Verifier that has the appropriate language skills to conduct the management and employee interviews. Make sure that one of the languages in the final column of the table below matches one language spoken in your facility before contacting a VB for a quote.

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- **Full:** The VB is either 1) An APSCA full member or 2) non-APSCA member that has completed the VB Check from the VOO and has

To see additional info on Verifier numbers by location

Chart of Verifiers by Country and VB

If you don't see a VB with approved Verifiers in your country/region, click here to view a list of VB that are approved for additional countries/regions but don't yet have Verifiers. You can contact them to check when Verifiers might be available

VBs Approved for Countries but No Verifiers

You can view a list of countries/regions with local Verifier capacity risks by clicking this button

View Local Verifier Capacity Risk

If you know the family/last name of a Verifier and the Gateway ID you can check approval status here

Check Verifier Status

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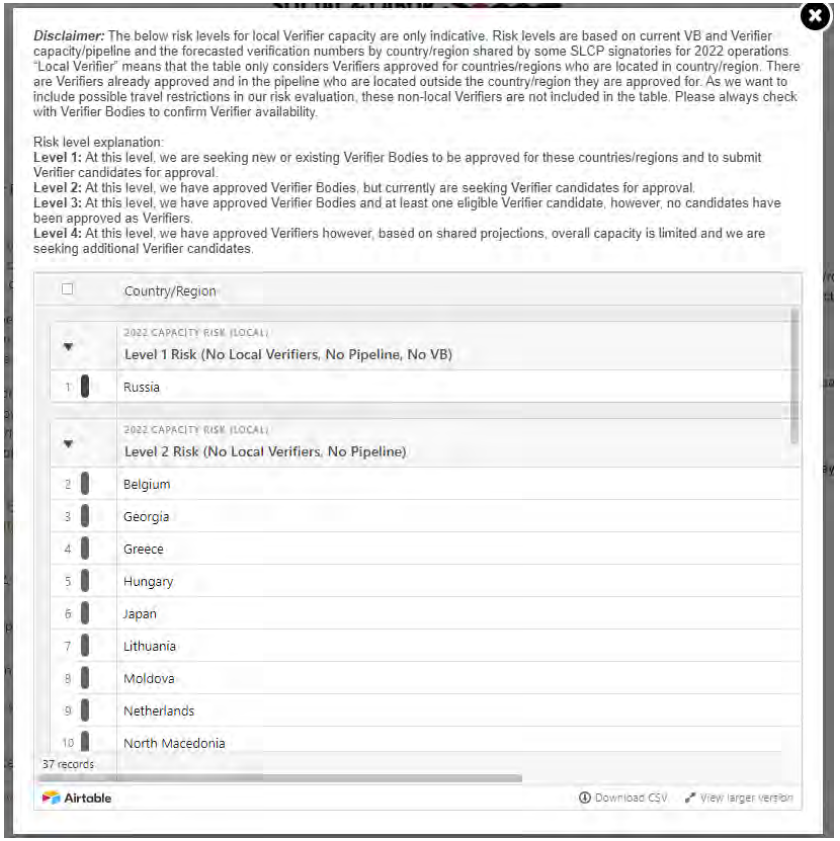
New:

Improved comms on Verifier capacity

Functionality to check the local Verifier capacity risk

Risk Level (Local Verifiers)
Level 1 Risk (No Local Verifiers, No Pipeline, No VB)
Level 2 Risk (No Local Verifiers, No Pipeline)
Level 3 Risk - No Local Verifiers
Level 4 Risk (High Ratio)
Level 5 Risk (Within Target)
Level 6 Risk (Risk of Over Capacity)



SOCIAL & LABOR CONVERGENCE

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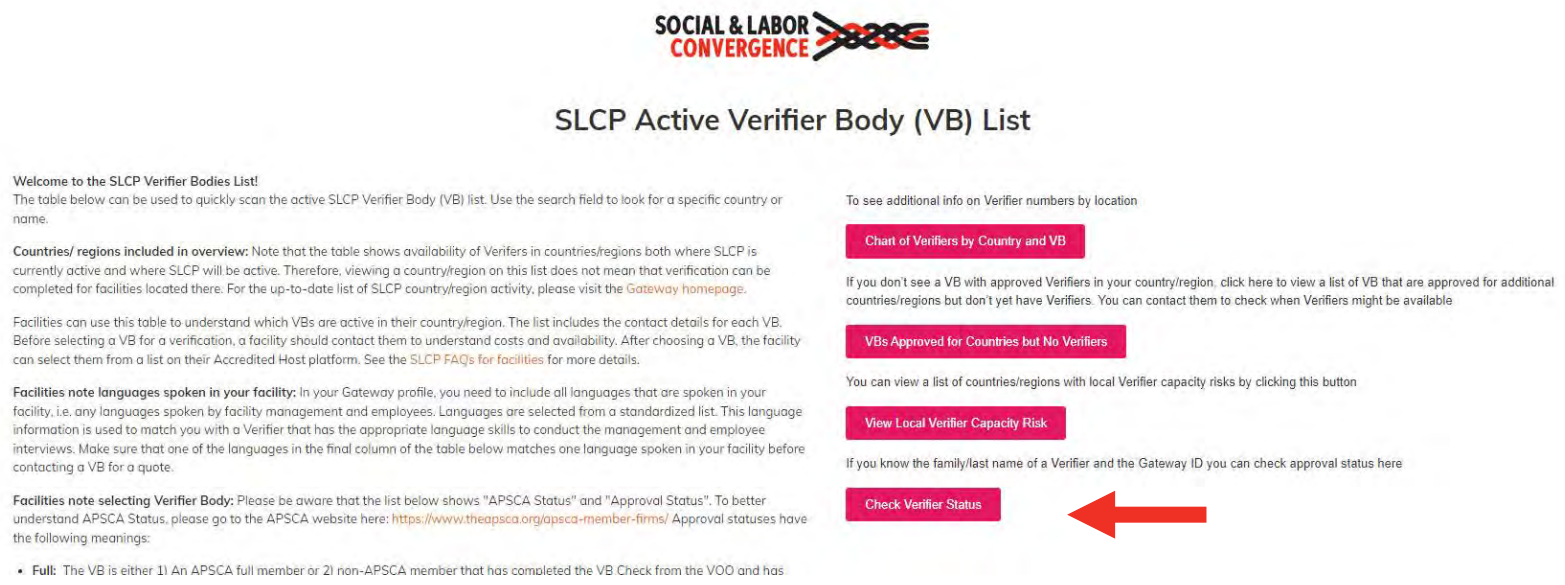

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What's coming next?

Q3/ Q4 Piloting Mandatory Verifier and Verifier Body Admin Training

- Identification of training topics and potential low cost or cost-free training courses and training partners
- Potential topics include identification of discrimination/ harassment, identification of forced labor, root cause analysis for VB admins to respond to VOO-issued Corrective Action Requests, collective bargaining and freedom of association in China, triangulation of findings and proper Verification Data narrative

Q2/ Q3 Preparation for Full Virtual Verification with launch of v1.5

- Update to Verification Protocol and Verifier Guidance - especially with inclusion of worker engagement technology (WE Tech) in the full virtual verification process
- Training for Verifiers and VB admins on requirements for execution of Full Virtual Verifications

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Process Oversight

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Process Oversight

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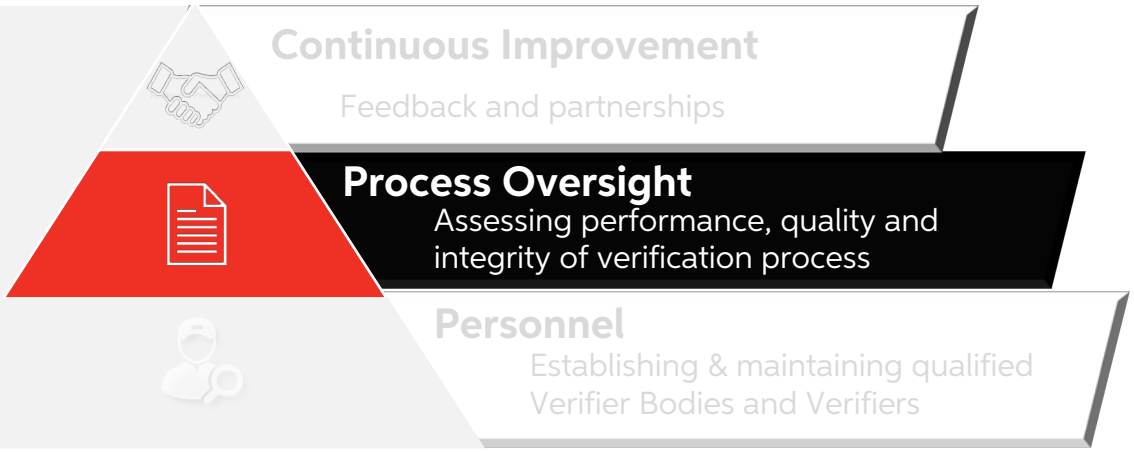

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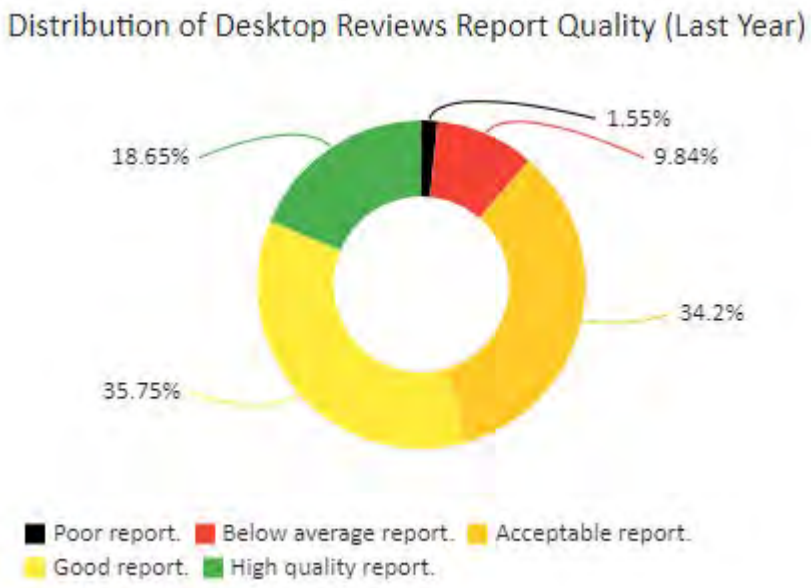
Outcomes of 2021 QA activities

Desktop Reviews



89% of reports reviewed were found to be of sufficient quality (ranging from acceptable to high quality)
Up from **88%** in 2020 & **76%** in 2019.

Desktop Reviews 2021 Ops:

Average of **6.55** 'mistakes' found per report, down from 7.9 in 2020 and 13 in 2019
(SLCP report on average contains approx. 1500 data points)

What happens if a report is found to be insufficient in quality?

- Corrective Action Request (CAR) issued to VB
- Feeds in to VB scores
- Significant issues result in report invalidation

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Outcomes of 2021 QA activities

Shadow, Counter and Duplicate Verifications

Duplicate

Duplicate Verification Findings	2020	2021
Max Variance	18%	26%
Average Variance	14%	13%

Main issues found:

- Verifier has different interpretation of laws and application
- Differing degrees of knowledge and experience between Verifiers

Process: Two VBs conduct a duplicate verification to insure consistency

Shadow

Average Verifier Score: **3.7/5** **(3.2 in 2021)**

Main issues in areas of:

- Time Management
- Procedure (e.g., explaining SLCP transparency; union/ worker rep meeting before closing meeting

Process: VOO representative joins an on-site verification as an observer

Counter

Average Verifier Score: **3.5/5** **(3.2 in 2021)**

Main issues found:

- Missing H&S issues during verification

Process: Onsite one-day verification conducted by VOO to conduct QA of key report aspects

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Process Oversight Activities

Complaints Investigated

25

Corrective Action Requests (CAR) Issued

126

VB Receiving CARs

36

CAR to Verification Ratio

3%

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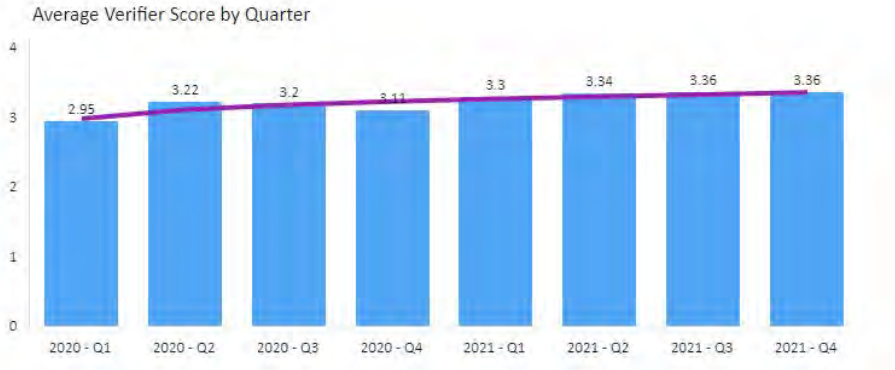
New

Integrity Oversight Program

Context:

- Individual Verifier performance is scored on a range of criteria including exam scores & QA outcomes
- Verifier scores feed into overall VB score, along with results of VB Management Checks



Integrity Oversight Program

Based on the distribution of VB scores, the VOO determines a risk scale:

- Level 3 Risk (highest risk)
- Level 2 Risk
- Level 1 Risk (lowest risk)

- VBs are assessed against the risk scale and assigned a risk-rating based on their overall VB performance score.
- Depending on the rating, a series of outlined actions take place, including mandatory additional QA activities paid for by the VB.
- VBs will be suspended if they receive a level 3 risk status more than twice

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New

QA Manual updates on bribery reporting

Bribery reporting enhanced

- Non-public communication
  - Via notes from VOO in Facility Profile on the Gateway only visible to subsequent VB

- Communication in the Gateway verified assessment report
  - Data visible to anyone with access to the report
  - VOO adds notes about the bribery incidence to the Assessment Information page of the Gateway report template; note identified as ‘Verification Oversight Organization Alert’

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What's coming next?

Launch of form for Verifiers and VBs to report suspicions and unsubstantiated findings that VOO can attach to the facility profile as applicable to inform the next selected/ assigned VB

Starting to mine data to inform more efficient and streamlined selection of reports for desktop and onsite QA

How to further increase **transparency of VB performance.** Current measures include:

- Currently show Integrity Oversight Program outcomes on Verifier Body public page (probation status indicated, if applicable)
- Public dashboard shows average score of Verifiers and VBs

How to further encourage **honest data** from facilities in the self/ joint-assessment. Current measures include:

- Signatories commit to honest data in the signatory charter
- Users of the CAF sign ToU committing to provide honest data

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Continuous Improvement

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Continuous Improvement stats

Percentage of facility surveys with positive feedback:

2021: **63%**

2020: 57%

Percentage of post-verification Verifier surveys with positive feedback:

2021: **89%**

2020: 90%

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New

Stakeholder QA Program

The Stakeholder QA Program allows the Verification Oversight Organization (VOO) to use QA data gathered by brands and other stakeholders. There are 3 ways that data can be shared:

Ad Hoc Feedback	Conduct Shadow Verifications	Standardized Data Review
Sharing ad hoc feedback with the VOO	Conducting a shadow verification and sharing the report with the VOO	Data in a standard digital format is shared with the VOO

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What's new: Updated communications on feedback mechanisms

- Feedback on a specific Verified Assessment Report

- Form for complaints concerning verification

- Contact slcp@sumerra.com directly regarding ethics issue

- Form for complaints concerning SLCP or VOO

- Video on how to provide feedback (English | Chinese)

- Find out more on how you can provide feedback here.

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Conclusion

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2021 Achievements & Learnings

Achievements

- APSCA alignment: Implemented a new 'Provisional' status program with enhanced VB checks
- Implemented a new 'Integrity Program' with escalating discipline for low quality scores
- Piloted a new QA Stakeholder program to get additional quality data from other stakeholder participants
- Onboarded approximately 300 new Verifiers into the program
- Improved transparency/ communication of Verifier capacity
- Added several 'risk' based factors to the VOO process for selection of verifications for QA

Learnings

- There remain many opportunities for improvement in the consistency of verifications
- Opportunity to pilot additional Verifier training options
- As the data grows, there are opportunities to 'mine' this data for trends that can better focus our QA activities.
- Stakeholder QA program is expected to provide new insights into verification quality from stakeholder perspective.

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How to find out more

New!
Data Quality & Integrity page on SLCP website with links to information on all areas of the strategy:
https://slconvergence.org/data-quality-integrity

Personnel	Process Oversight	Continuous Improvement
• List of Verifier Bodies • VB Requirements • QA Manual • VB Terms of Use	• Public SLCP QA Dashboard • FAQ on Integrity Oversight Program	• FAQ on Stakeholder QA Program • FAQ on providing feedback

Or visit the SLCP Helpdesk to access all FAQs in 8 languages

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Launch of credibility survey

We want to find out what YOU think about SLCP's data quality & integrity.

Please complete our short survey!

We are seeking responses from all individuals – there is no limit on the number of respondents per company/ organization. You do not need to be an SLCP user/ signatory to complete the survey.

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