



# Social & Labor Convergence Program (SLCP)

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

SLCP Webinar:  
Launch - HRDD Toolkit

# SLCP Human Rights Due Diligence Toolkit

How the Converged Assessment Framework can support due diligence compliance

Published May, 2023

**SOCIAL & LABOR  
CONVERGENCE** 

Disclaimer:  
The responsibility to conduct human rights due diligence remains on companies, regardless of the use of relatives such as SLCP.

# SLCP's HRDD Toolkit Launch Webinar

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# Agenda

1. Setting the scene
2. SLCP in the context of HRDD
3. HRDD Toolkit explained
4. Spotlight & examples – EU / Germany / US
5. Q&A



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## Setting the Scene

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# The rise of regulation in business & human rights

## 2023 ENFORCED



- UK Modern Slavery Act - In force as of 26th March 2015



- French Corporate Duty of Vigilance Law - In force as of 27th March 2017



- Australia's Modern Slavery Act - In force as of 1st January 2019



- US Uyghur Forced Labour Prevention Act - In force as of June 2022



- Japan's Guidelines on Respect for Human Rights in Responsible Supply Chains - In force as of 2022



- Norwegian Transparency Act - Companies required to report by 30th June 2023



- German Supply Chain Act - In force for companies with over 3000 employees as of 1st January 2023



- Mexico's Forced Labour Regulation - Comes into force 18th May 2023

Disclosure-based legislation

Trade-based legislation

Due diligence-based legislation

# Landscape of sustainability initiatives

The last 10 years has seen a substantial increase in the number of sustainability initiatives.



## Different features:



Scope



Size



Design



Governance

## Different roles:



Facilitation Initiatives



Verification initiatives

# Implications of a patchwork: confusion



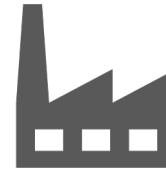
## Brands

- Overwhelmed
- Preparing for a new normal



## Manufacturers

- Confusion of the 'why'
- Recognizing there is a knowledge gap



## Workers

- Not clear on what HRDD is
- Not aware of (intended) benefits for them

# One solution: transparency from initiatives

## What is needed?



Practical tools for users to understand the initiatives mandate



**Honesty** from initiatives on their usefulness for policy implementation

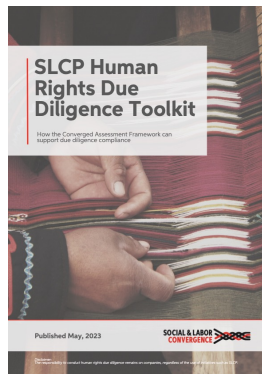
## What are the benefits?



Reduced duplicative efforts for HRDD implementation



A greater emphasis on improvement programs





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## SLCP in the Context of HRDD

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# Background - SLCP & policy

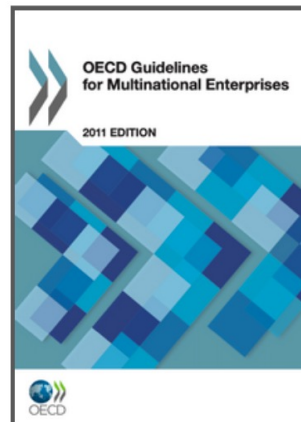
## Policy Aims:

1

The CAF is an aligned and acknowledged tool to help users implement policy.

2

SLCP **data** is recognized as a credible source of information to facilitate supply chain policy & legislation implementation, and drive future improvement initiatives.



# SLCP's role as a broad social assessment within the risk-based framework



SLCP is advocating for a **risk-based approach** aligned with international labor standards.



When undertaking a risk-based approach, **understanding social and labor trends** on an aggregated level will be needed to understand geographical, product, or sector-specific risks.



A broad social assessment can be useful **as a foundational method** for identifying human rights risks

# Converged solution to support HRDD

**Better Work and SLCP** are on common ground in promoting credible and actionable data that is shared between a broad range of industry actors, including governments. The [Collaboration](#) includes joint development of the data collection tool and has resulted in further alignment with International Labor Standards and National Labor Legislation.

The Converged Assessment Framework (CAF) is suitable for use in most facility settings as the questions and data are:



Globally applicable



Comprehensive



Aligned with OECD DD  
Guidance



Aligned with national  
labor law

**Converged tools** allow users to unlock resources which can be directed towards improvement programs.

# Credible & actionable data critical for HRDD

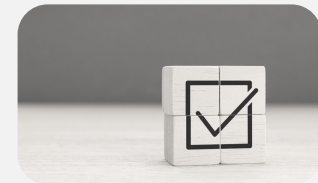
SLCP data can only support human rights due diligence implementation if it is high quality

Data quality is a top priority for SLCP



We ensure data quality and integrity through our [Verification Oversight and Quality Assurance strategy](#).

SLCP works with an external Verification Oversight Organization (VOO) who is responsible for ensuring integrity of SLCP verifications and quality of verified assessment data.



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# SLCP HRDD Toolkit explained

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# Key Objectives of the Toolkit

1

A **resource** for users to better understand how the CAF can be used for HRDD compliance

2

To act as a central **repository** for SLCP's positioning against HRDD

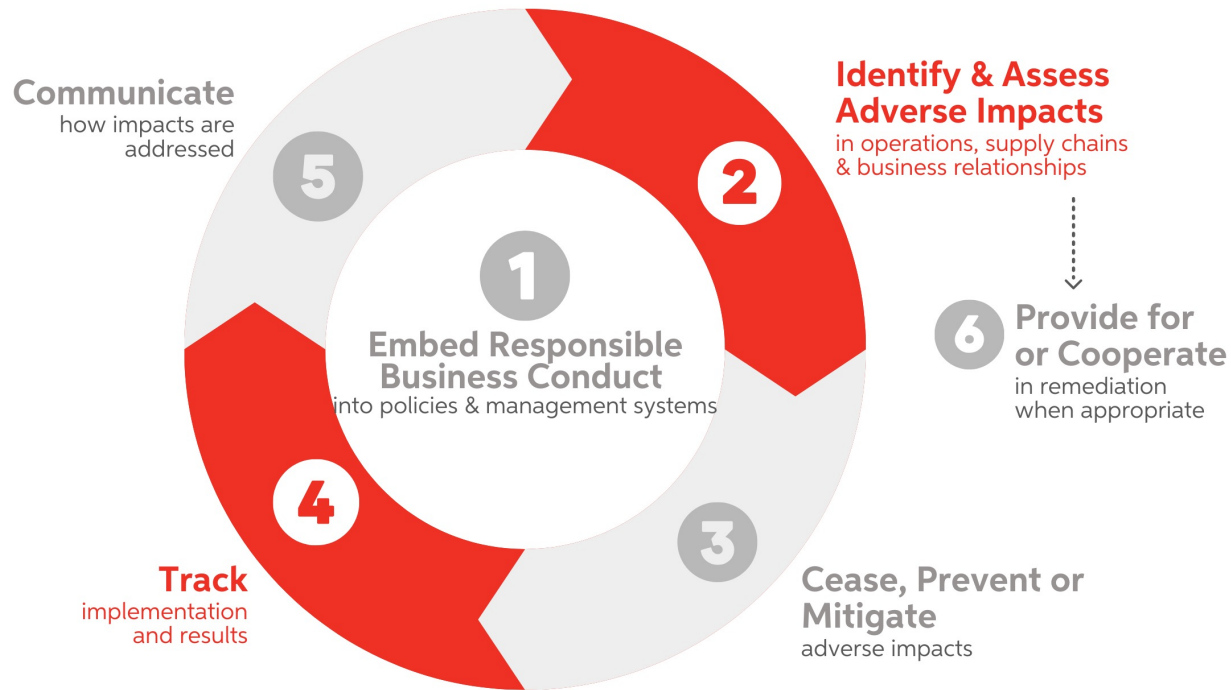
3

**Build trust** in SLCP's usefulness for policy compliance to external stakeholders such as policymakers

4

Clarity on the **scope** of the CAF and SLCP process (including its limitations)

# SLCP supporting HRDD



SLCP assessment data provides a credible & actionable foundation for companies to **identify** human rights risks in supply chains and **track & monitor** progress.



# SLCP's value add for HRDD



1

The CAF is a foundational social assessment

2

SLCP prioritises credible and actionable data

3

The tool is mapped against international labor standards and national labor laws

4

Capacity to unlock resources for improvement programs

# Reminder: SLCP is not a 'one stop shop' for HRDD



Due diligence requires tailored, ongoing implementation



The responsibility remains on the company



SLCP data requires an 'interpretation layer'



# Observations from key partner International Trade Center

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## Spotlight: European Legislation

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# An Introduction to the legislation

## EU Draft CSDDD

### Reminders:

- It is still a proposal
- SLCP will update this chapter once the final text is adopted
- The vote is expected to occur in June (1<sup>st</sup>)

### Expectations:

- Companies will be able to use accompanying measures such as SLCP to support HRDD efforts
- SLCP assessment could therefore be used as a broad initial social assessment which serves as a baseline for CSDDD compliance
- As the toolkit highlights, the CAF covers many of the human rights and social risks covered in the Annex.



# An Introduction to the legislation

## SLCP & the German Act on Corporate Due Diligence Obligations in Supply Chains

### What is the approach?

Companies must follow a risk-based approach, allocating resources in a targeted way and addressing the most severe and likely human rights issues first.

- An SLCP assessment could be used as a broad initial social assessment. Where risks are known, further in-depth and targeted tools can be used complementarily.

### What does the legislation say about the use of sustainability initiatives such as SLCP?

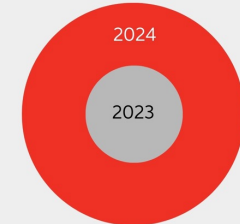
- The law specifically mentions the possibility of using industry-wide or multi-stakeholder initiatives as a means of implementing due diligence processes.
- Companies may use "generally accepted industry standards or standards developed by recognized multi-stakeholder initiatives" as a basis for their due diligence processes.
- The CAF is not a standard - rather it is aligned with international labor standards and national labor laws. This ensures it is one of a number of useful tools for supporting due diligence efforts.

### Enforcement

1st January 2023

### Affected Companies

Companies based in Germany (or German-registered branches of foreign companies) within the following scope must comply:









- Enforced for companies with over 3000 employees
- Enforced for companies with over 1000 employees

### Scope of Supply Chain

- Own operations
- Direct suppliers
- Indirect suppliers (only if there is an indication of a violation)

# Legislation deep-dive

## Steps of Relevance: German Supply Chain Act

Due Diligence Step	Article Number	SLCP relevance	Notes
1. Establishing an effective risk management system	s4		An SLCP assessment can form part of the risk management system.
2. Undertaking risk analysis	s5		SLCP can support the initial identification of human rights risks.
3. Derivation of preventative measures	s6		Companies need to implement their own preventative measures. However, an SLCP assessment could inform this step as brands can use SLCP data to tailor preventative measures.
4. Provision for remedial measures	s7		Brands can check SLCP data against the policy requirements and implement corrective action plans accordingly.
5. Establishment of complaints procedure	s8		SLCP does not help a company establish a complaints procedure, but it does help complying brands understand if their suppliers have grievance systems in place.
6. Documentation and reporting	s10		SLCP assessments can be used as one of the measures included in annual reporting.

# Legislation deep-dive

## Risk Coverage : German Supply Chain Act

Risk	Risk Addressed in the CAF	Section in the tool
Child Labor	Addressed	Step 1/2
Forced Labor and all forms of slavery	Addressed	Step 1/2
Occupational Safety and work-related health hazards	Addressed	Step 1/2/3
Freedom of association and the right to collective bargaining	Addressed	Step 1/2
Equality in employment (Discrimination)	Addressed	Step 1/2/3
Fair Wages	Partially addressed	Step 1/2/3
Destruction of vital natural resources through environmental pollution	Not addressed	N/A (However, Step 1 & 2 asks a some high-level questions on this broad topic)
Land rights	Partially addressed	Step 3
Hiring or use of private/public security forces without an adequate command structure or proper oversight to prevent harm	Partially addressed	Step 1/2/3

### Section in the tool:

Step 1: Social Compliance  
 Step 2: Management Systems  
 Step 3: 'Above and Beyond'

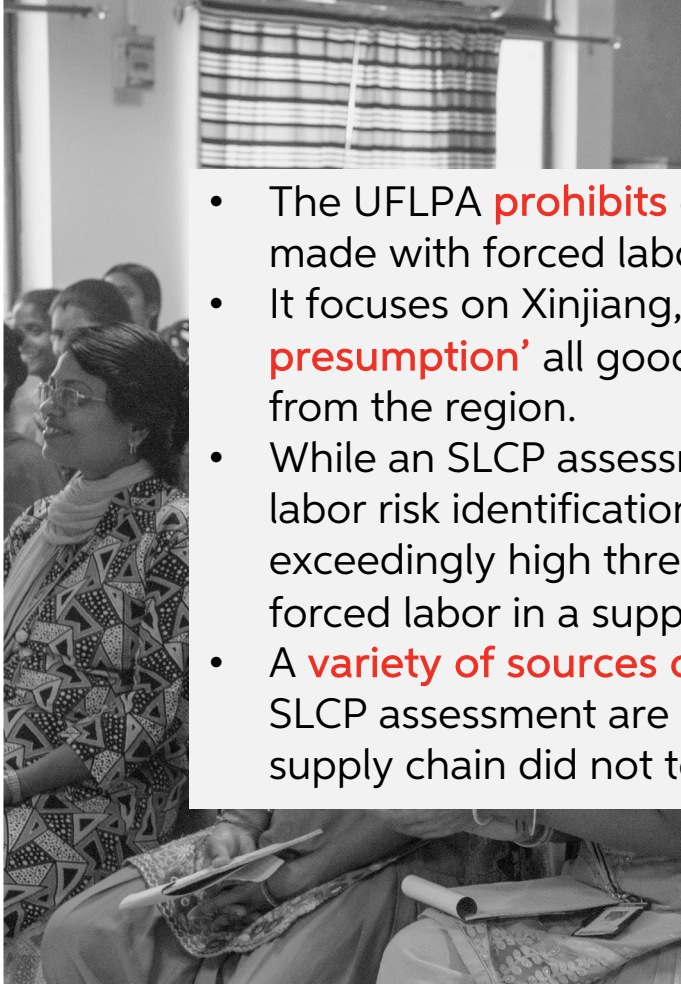
### Risk addressed methodology:

Addressed: The tool extensively covers this risk  
Partially addressed: The tool has questions addressing this risk, but it is not comprehensive  
Not addressed: The tool does not cover this risk.



# An Introduction to the legislation

## US Uyghur Forced Labor Prevention Act



- The UFLPA **prohibits** companies from importing goods made with forced labor into the United States.
- It focuses on Xinjiang, where there is a **'rebuttable presumption'** all goods are made with forced labor from the region.
- While an SLCP assessment could be useful for forced labor risk identification, it alone will not meet the exceedingly high threshold to prove there was no forced labor in a supply chain.
- A **variety of sources of evidence** in addition to an SLCP assessment are needed to successfully prove the supply chain did not touch forced labor.

### Enforcement

21st June, 2022

### Affected Companies

Companies importing goods into the United States that have been made (wholly or in part) in Xinjiang.

### Scope of Supply Chain

The ban applies to the whole supply chain.

### Penalties









The US Customs and Border Force (CBP) are tasked with enforcing the import ban.

Penalties for attempting to import goods from Xinjiang include:

- detention of goods
- exclusion of goods
- seizure / forfeiture of goods

# Legislation deep-dive

## Steps for establishing 'clear and convincing' evidence

	SLCP relevance	Notes
<b>1. Engage Stakeholders and Partners</b>		Importers can use SLCP assessments to engage with suppliers.
<b>2. Assess Risks and Impacts</b>		SLCP can support the initial identification of forced labor risks.
<b>3. Develop a Code of Conduct</b>		Importers would need to develop their own code of conduct, which could be mapped against SLCP data for compliance.
<b>4. Communicate and Train Across your Supply Chain</b>		By adopting SLCP in the supply chain, suppliers can be made further aware of their social & labor conditions. Training & communication requires more measures than SLCP.
<b>5. Monitor Compliance</b>		For repeat users of SLCP, year on year social & labor data can be used to monitor the risk of forced labor in the facility.
<b>6. Remediate Violations</b>		Although SLCP does not remediate violations, it supports companies in prioritizing their remediation activities.
<b>7. Independent Review</b>		As outlined in the ILAB comply chain, an independent review could be an unannounced assessment (which is possible within the SLCP system).
<b>8. Report Performance and Engagement</b>		SLCP assessments can be used as one of the measures included in reporting on performance.

# Practical example: the CAF & HRDD

## SLCP & Core Labor Standards

The CAF addresses all five ILO fundamental rights at work ('core labor standards'). SLCP is continually reviewing the tool to ensure it remains relevant for these most severe human rights risks.

### Example: 'Direct' Data Point

hb-1	Question	WORKER TREATMENT	Forced Labor	Violence or Threats	Have any cases of violence or threats of violence to intimidate workers and force them to work occurred at the workplace?
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### Example: 'Indirect' Data Point

wh-6	Question	WORKING HOURS	Working Hours	Overtime Hours	Are all overtime working hours in line with legal limits?
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### Follow-up actions as a result of a legal non-compliance:

- Evidence to support remediation efforts
- Provide context for future prevention or mitigation measures in the future
- In the following assessment, we can track and monitor progress in addressing the issue

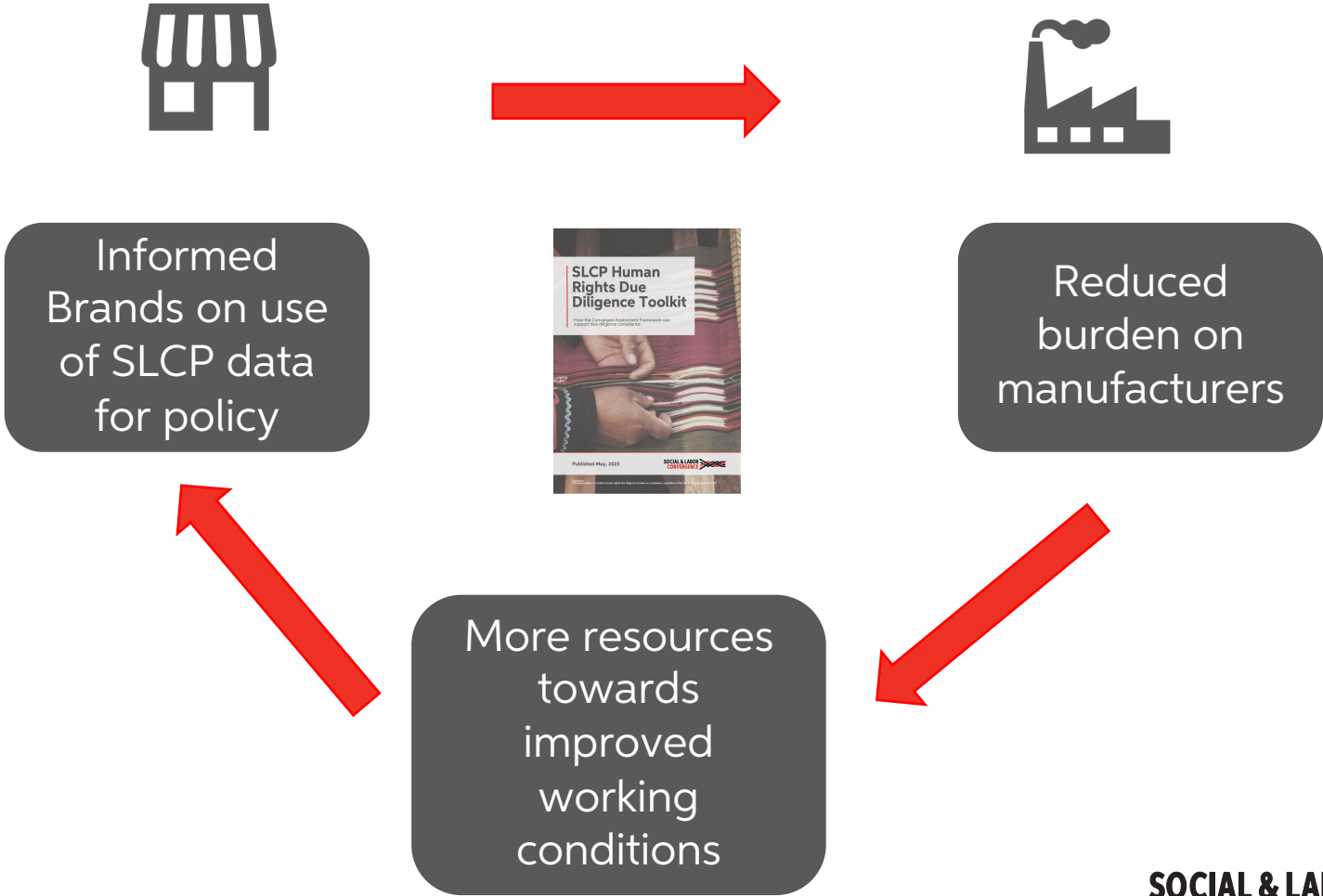
# Existing Use of SLCP Data for HRDD

“Do you use SLCP data for any of the following purposes?”	% of <b>Brands</b> that use SLCP data for these purposes*	% of <b>Policy stakeholders</b> that consider SLCP useful for this purpose**
To identify human rights risks in the supply chain	<b>89%</b>	<b>93%</b>
To monitor and track human rights risks in the supply chain	<b>93%</b>	<b>80%</b>
To assess if there are instances of forced labor in your supply chain	<b>78%</b>	<b>60%</b>

\*Based on SLCP Signatory Survey, 2022

\*\*Based on pre-survey for the SLCP Policy Roundtable, 2023

# Benefits of the toolkit for suppliers





# Q&A

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For all follow up questions after today's webinar, please contact [tom@slconvergence.org](mailto:tom@slconvergence.org)



Thank you