





# SLCP is a multi-stakeholder initiative

implementing the Converged Assessment Framework (CAF)

to:

- reduce audit fatigue
- provide high quality social and labor data

in order to improve working conditions



# Who are SLCP signatories?

- SLCP is a signatory-driven multi-stakeholder initiative.
- SLCP signatories are companies and organizations that have made a public commitment to SLCP, its mission and vision, and to actively contribute to make it happen by implementing SLCP in their own organization.

272 Signatories - March 2023

**53** Brands | Retailers

**44** Manufacturers

**109** Audit Firms

17 Consultancies

29 MSIs | Standard Holders | Civil Society

**6** Agents

12 Industrial Associations

**2** National Governments









## Why was SLCP created?

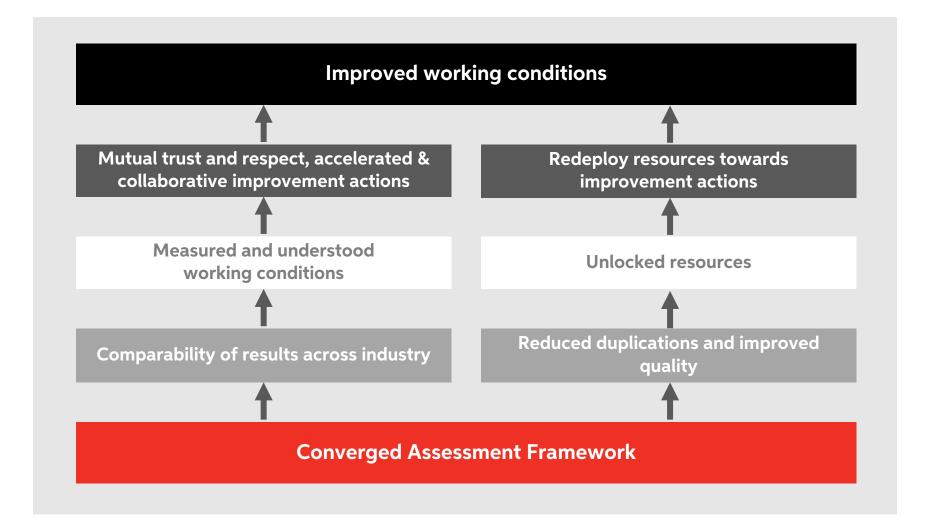
Proliferation of social audits led to:

- Audit fatigue
- Duplication and repetition
- Drain on resources
- Lack of collaboration
- Lack of facility ownership

In 2015, SLCP began convening stakeholders from across the industry to harmonize social audits and align around one common tool.



# **Program Goal and Overall Objective**





# **Core Strategy**

**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

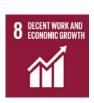
Our Goals 25,000 verified assessments

\$130m for improvement actions

Industry's
#1 source of
verified Social &
Labor data

Self-sustaining through earned income

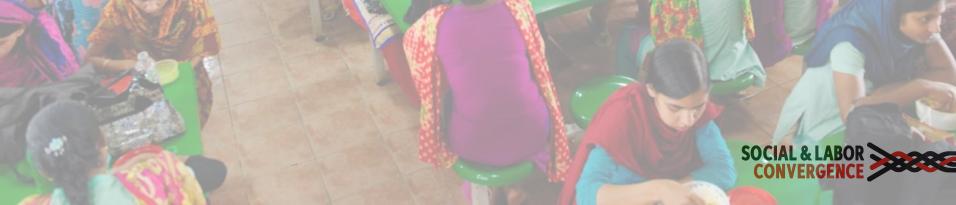












### **How does SLCP work?**

Comprehensive and robust tool and verification methodology developed by signatories:

Converged
Assessment
Framework (CAF)

- Data Collection Tool
- Verification Protocol
- Guidance

Implemented in a threestage assessment process:

SLCP assessment & verification process

- 1. Data collection
- 2. Verification
- 3. Data hosting & sharing

The verified data can be widely shared by different standards and end-users.

# Actionable & credible verified data set

- Data determines compliance with International Labor Standards & National Labor Laws
- No scoring or certification
- Flexibility to map the data to a standard or CoC



## What type of data is collected?

### Themes in each SLCP Step

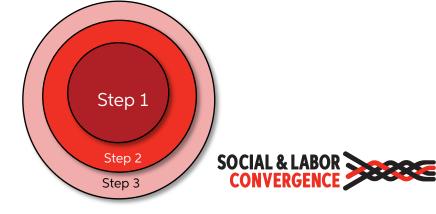
Step 1 Themes	Step 2 Themes	Step 3 Themes
FACILITY PROFILE	FACILITY PROFILE	FACILITY PROFILE
RECRUITMENT & HIRING	RECRUITMENT & HIRING	RECRUITMENT & HIRING
WORKING HOURS	WORKING HOURS	WORKING HOURS
WAGE & BENEFITS	WAGE & BENEFITS	WAGE & BENEFITS
WORKER TREATMENT	WORKER TREATMENT	WORKER TREATMENT
WORKER INVOLVEMENT	WORKER INVOLVEMENT	WORKER INVOLVEMENT
HEALTH & SAFETY	HEALTH & SAFETY	HEALTH & SAFETY
TERMINATION	TERMINATION	TERMINATION
	MANAGEMENT SYSTEMS	MANAGEMENT SYSTEMS
		ABOVE AND BEYOND

**Step 1 = Essential** focuses on *key* social & labor compliance questions, mostly connected to International Labor Standards (ILS) and National Labor Law (NLL), making it well suited for the majority of stakeholders.

**Step 2 = Progressive** focuses on management systems and questions that are additional/supportive social & labor compliance questions but less critical. These questions are often found in social industry and certification standards.

**Step 3 = Advanced** questions that go above and beyond social responsibility industry standards, are not required by national or international law, and seek to elevate workplace well-being and community impact.

**Selection Step 1, Step 2 or Step 3** (where Step 2 includes Step 1 scope, Step 3 includes Step 1 and 2 scopes)



Stage 1: Data Collection

### Who verifies SLCP assessments?

Verification Oversight Organization (VOO)

Responsible for ensuring integrity of SLCP verification & quality of verified assessment

Verifier Body (VB)

Verifier Body (VB)



## Verifiers work for SLCP approved Verifier Bodies

- SLCP signatories with minimum 3 years' experience in social auditing (2<sup>nd</sup> or 3<sup>rd</sup> party)
- Must have management systems in place to select & monitor Verifiers and assure quality of verification process

Verifier Verifier Verifier



#### Verification is conducted by SLCP approved Verifiers

- Must work for an SLCP Verifier Body (no freelancers)
- Minimum 3 years' experience in social auditing & relevant training/ accreditation
- Successfully complete SLCP e-learning & pass exam



## How does SLCP ensure data quality & integrity?

### 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 a **Verification Oversight Organization -** an overarching body responsible for ensuring integrity of SLCP verification and quality of verified assessment data.





### How can brands access suppliers' verified data reports?

#### **SLCP Gateway**

Central repository for all verified SLCP assessments, built by ITC. Facility controls data sharing here.

### 3 access pathways

#### 1. Manual

#### **Direct from Gateway**

Receive a link that takes you directly to PDF and xls files of the Verified Assessment Report (VRF).



#### 2. Systematic

OR

#### **Accredited Host**

Accredited Host (AH)
platforms are used by
facilities and Verifiers to
complete SLCP assessments
and verifications.

You can receive Verified Assessment reports from an AH platform.





#### 3. Automatic

OR

#### **Brand Host**

Receive Verified Assessment Reports and data directly into your brand system.





## How can brands interpret SLCP verified data?



SLCP verified data enables users to determine compliance with **National Labor Laws** and **International Labor Standards**.



SLCP does not apply any standard to the data, nor does it provide scoring or certification. **End-users have the flexibility to apply their own standard or Code of Conduct to the data**.

- ➤ SLCP partners with external service providers that can interpret the data for you. The **Accredited Hosts** (AH) can use the unscored data to score or compare to Codes of Conduct.
- If you want to do the mapping yourself, you can choose to receive reports **directly from the Gateway**. If you plan on receiving a large volume of reports, you can consider becoming a **Brand Host** with a direct link to the Gateway.





## How is SLCP working towards industry convergence?

SLCP is in dialogue with multiple standard holders to explore compatibility and potential convergence.



In June 2022, SLCP and Fair Wear Foundation jointly announced a collaboration agreement with two defined projects to explore alignment. Work is underway on both projects.



In 2022, SLCP and amfori issued a joint <u>public</u> statement to inform mutual stakeholders of our plans to refresh work on our roadmap to explore convergence in early 2023.



Began accepting SLCP verified data in Apparel and Home Goods program in late 2021.



OEKO-TEX and SLCP are in discussions to explore potential alignment between the CAF and STeP.



## How do SLCP and Better Work engage?



Better Work and SLCP are on common ground in promoting credible and actionable data that is shared between a broad range of industry actors to act upon, including governments and workers' and employers' organizations.

- ✓ Better Work and SLCP have collaborated on the development of Step 1
  of the Data Collection Tool (since CAF v1.4), the Law Overlays and
  introduction of the Tool in Better Work countries.
- ✓ Better Work uses the question set in Step 1 of the Data Collection Tool for their factory assessments.
- ✓ If a facility wishes, the data from their Better Work assessment can be shared with the SLCP Gateway.





### Which manufacturers use SLCP?

**Over 10,000 facilities** have created an account on Gateway and started their SLCP assessment process, including from the manufacturers below:



















































































A full list of facilities can be found through our <u>Gateway</u>



# Which companies accept SLCP data?

Over 65 brands, retailers, and standard holders including...

(See website for full list)











































































































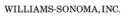
























# Is the CAF globally applicable?

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









Globally applicable

Comprehensive

Aligned with OECD due diligence quidance

Aligned with ILO conventions and national labor law

- ➤ We have already seen diverse use of the CAF including in distribution centers, hard goods, and home furnishings
- > SLCP will begin actively pursuing sector expansion in early 2023



### Where is SLCP available?

SLCP has launched the Converged Assessment Framework in **62 countries/regions** (and continues to expand into further territories). This means that there are SLCP approved Verifiers available to conduct verifications in all these locations.





# **Scaling of SLCP**













# How is SLCP unlocking resources?

#### For brands:



C&A converted their Sustainable Supply Chain team from Auditors & Developers to Developers only - keeping the same headcounts. Resulting in **50% more staff working in supplier development**. By fully moving to SLCP in 2022, staff expects to free **more time for supplier development**.

Anonymous Signatory brand

By adopting SLCP, the signatory brand reported saving \$18,000 in 2022 and redirecting it for audit costs for onboarding suppliers not participating in SLCP.

### For suppliers and workers:



#### **Better Buying Purchasing Practices Index 2022 Findings**

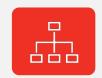
- SLCP questions included in 2022 supplier surveys
- Over a fifth (22.5%) of respondents reported their buyers are accepting SLCP
- Many reported saving thousands (up to \$20,000) as a result
- Savings are being reinvested in workplace improvements, new programs for workers & higher wages.



# How can SLCP benefit your brand?



Supports companies to meet the demands of upcoming mandatory human rights due diligence legislation



Helps companies to **gather data at all manufacturing tiers** –an efficient, scalable
tool that can be used throughout the supply
chain.



Provides **comparable data** that allows companies to assess social and labor conditions across countries, tiers and sectors



Facilitates a **collaborative approach** – stakeholders work together to roll-out the tool and to redirect resources to improvements



The growing volume of SLCP verified data provides increasing opportunities for analysis to **better understand industry trends**.



In our 2022 signatory survey, our signatories reported the following benefits from using SLCP's CAF instead of proprietary tools:

- 60% reported time saved on audits
- 53% reported that facility ownership of data has enabled better relationship with partners
- 38% reported quicker onboarding of new buyers/ suppliers





## How to get started with SLCP

**Steps to start your SLCP journey** 

1



Build your company's understanding of SLCP

- ✓ <u>Schedule</u> a call with us
- ✓ Complete the <u>e-learning</u>
- ✓ Attend SLCP events/ webinars
- Explore Accredited Host (AH) options
- ✓ (Optional) Become an SLCP

   <u>signatory</u>

2



Raise awareness of SLCP with your suppliers

- ✓ Send them introductory information about SLCP and explain the benefits
- ✓ Invite them to join SLCP <u>events/</u> <u>webinars</u>
- ✓ Include sessions on SLCP at supplier training/ information events

3



"Nominate" suppliers for SLCP Operations

- ✓ Inform suppliers that you would like to nominate them
- ✓ Explain that SLCP will contact them directly with support info
- ✓ Ask them to add <u>support@slconver</u> <u>gence.org</u> to their contacts list

4



Support suppliers through SLCP process

- ✓ Option to do a joint-assessment
- Communicate regularly on progress
- ✓ If relevant, suggest a <u>Verifier Body</u>
- ✓ Let them know which Accredited Host (AH) you will use

5



Access and use the SLCP verified data from your suppliers

- Map SLCP to your in house CoC/ integrate into your internal system
- ✓ Use SLCP verified data for remediation plan/ follow-up

To schedule a call, please email <a href="mailto:info@slconvergence.org">info@slconvergence.org</a>.



# Join SLCP as a Signatory!

#### How to become a signatory

- Senior management approval on public commitment to the principles of SLCP (see charter)
- Payment of one-time signatory fee
- Email <u>info@slconvergence.org</u> to initiate sign-up process

### What you can expect in return

- Direct access to SLCP material
- Regular updates on developments and progress
- Influence in operational direction program
- Vote on strategic decisions in SLCP



#### Signatory Fees (one-time only):

	Turnover	Fee (\$)
Brands, Retailers, Agents		
- L, XL	>1BUSD	10,000
- S, M	<1BUSD	2,000
Manufacturers		
- L, XL	>1BUSD	2,000
- S, M	<1BUSD	1,000
Other	N/A	1,000



# Where can I get more Information?

### **SLCP Helpdesk SLCP Website** In depth FAQs on SLCP and the Converged Assessment **SLCP Accredited Hosts** Framework **Facility Guidance List of SLCP signatories** Verifier Guidance **Current Collaborations** Quality Assurance and **Upcoming SLCP events Integrity of Data** And much more! **Case Studies** Blog

Please get in touch by sending an email to <a href="mailto:info@slconvergence.org">info@slconvergence.org</a>.



