



Social & Labor Convergence Program (SLCP)

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

SLCP & ITC OECD Side Session
Reducing 'Audit Fatigue' in the textile industry in
the context of regulatory developments
19th February 2024

Thank you for joining! The webinar will start in a couple of minutes.

Reducing 'Audit Fatigue' in the textile industry in the context of regulatory developments

19th February 2024, 9-10am, Online

- Please note that this webinar is being recorded and will be posted on the SLCP website.
- All attendees are requested to observe Chatham House Rules and follow Anti-trust Guidelines.
- Please use the Q&A function to ask questions to the speakers.





Reducing 'Audit Fatigue' in the textile industry in the context of regulatory developments



International
Trade
Centre

**SOCIAL & LABOR
CONVERGENCE**

Agenda

1. Welcome

Janet Mensink (SLCP)

2. Audit fatigue and social compliance

Shemina Amarsy (ITC)

3. Efforts to reduce audit fatigue to date through SLCP

Alejandra Barajas (SLCP)

4. Panel discussion

Ninh Trinh (Target), Michael Cai (Décor), Christian Hudson (GIZ) & Karim Shafei (Gherzi)

5. Calls to action & final remarks

Janet Mensink (SLCP)

Speakers and panelists Introduction



Shemina Amarsy
ITC



Alejandra Barajas
SLCP



Janet Mensink
SLCP



Ninh Trinh
Target



Michael Cai
Décor



Christian Hudson
GIZ



Karim Shafei
Gherzi



2. Audit Fatigue & Social Compliance

Setting the Scene

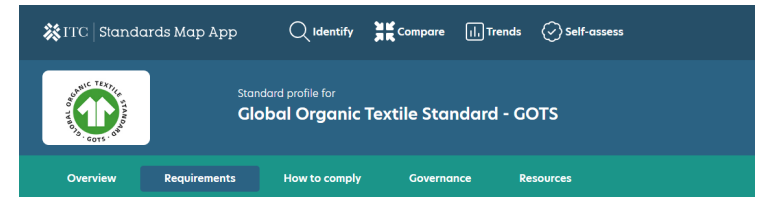
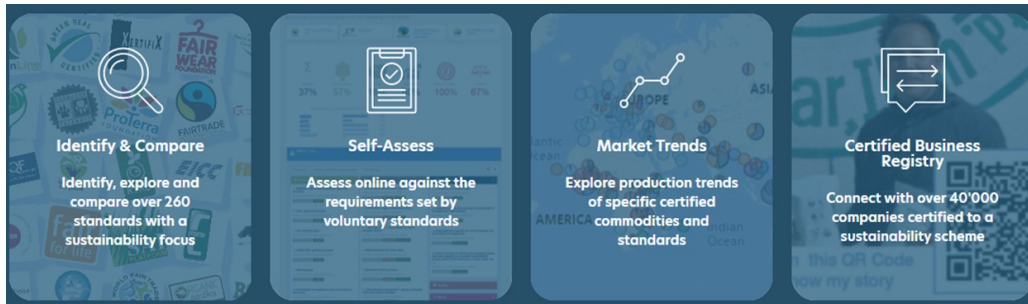
Shemina Amarsy, ITC



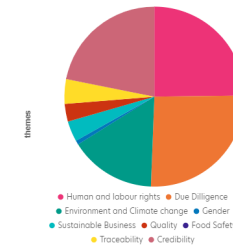
Social auditing: the context

- Ever-going need for **transparency** and traceability in social and labor conditions
- Multiplication of standards and audit frameworks
- Audit= Systematic, documented process for obtaining records, statements of fact or other relevant information, objectively assessed to determine the extent to which specified requirements are fulfilled

ITC Standards Map



Overview



Generated by ITC Standards Map Source

Show Sustainability themes by Area

Area

Standards have different sustainability based on the number of criteria refer that are addressed by the standard's our methodology, go to our **Knowned**

What does “audit fatigue” mean?

- Lack of **consensus** on sustainability standards
- Duplication, redundancy of frameworks
- Increasing reliance on audits: **complexity**, frequency, scope
- Conflicts of **interests**, budgetary constraints & audit duration, risks of fraud
- Audit fatigue= Duplications resulting in high costs and effort, perception as routine task, higher risk of incidents
- Contradiction with objective of the audit= self-improvement, transparency, and compliance



The reality for MSMEs

- Lack of **resources**, higher transaction costs, lack of access to networks, more vulnerable to challenging economic conditions & supply-chain disruptions
- SMEs: difficulty to navigate the **legal environment**
- Predominant role in the garment and footwear sector
- Jobs **creation**, innovation and economic diversification
- Employment **opportunities** for vulnerable groups including migrant, women, young and older workers



MSMEs: Micro Small Medium Enterprises

Main regulatory areas with impact in SMEs



CLIMATE ACTION
Carbon Border Adjustment




EUROPEAN INDUSTRY
Eco-design for sustainable products




FARM TO FORK
Trade Policy for 3rd party countries



BIODIVERSITY
Forest Strategy & deforestation-free imports



SUSTAINABLE FINANCE
CSRD & CS3D



ELIMINATION OF POLLUTION
Chemicals Strategy

Human rights due diligence

Mandatory HRDD*

French
Corporate Duty
of Vigilance

Norwegian
Transparency
Act

German Due
Diligence in the
Supply Chain

Trade Based Legislation

US Tariff Act
(prison or
forced labour)

Section 321 of the
US Countering
America's
Adversaries
through Sanctions
Act (North Korea)

Canadian Customs
Tariff Act

Modern Slavery Legislation

Australian
Commonwealth
Modern Slavery
Act

United Kingdom
Modern Slavery
Act

California
Transparency in
Supply Chains Act

ESG disclosure requirements

United Kingdom

US

Canada

Malaysia
New Zealand

Social audits and Human Rights due diligence

Social Audits = complementary tool with:

- Continuous improvement approaches
- Internal management systems and code of conducts
- Increased transparency & data sharing
- Remediation commitment
- Direct workers feedback mechanisms
- Whistleblowing
- Fair buying practices





3. Efforts to reduce audit fatigue to date through SLCP

Setting the Scene

Alejandra Barajas, SLCP





The Solution?

A converged social assessment

In 2015, 30+ industry stakeholders united to establish **SLCP** to create a converged social assessment to reduce 'audit fatigue.'

What is SLCP today?

SLCP is a global multi-stakeholder initiative that:



Collects harmonised, accessible and trusted social and labor supply chain **data**



Through deploying a **common** social assessment



That replaces the need for repetitive audits and **frees up resources** for preventing and mitigating adverse human rights impacts

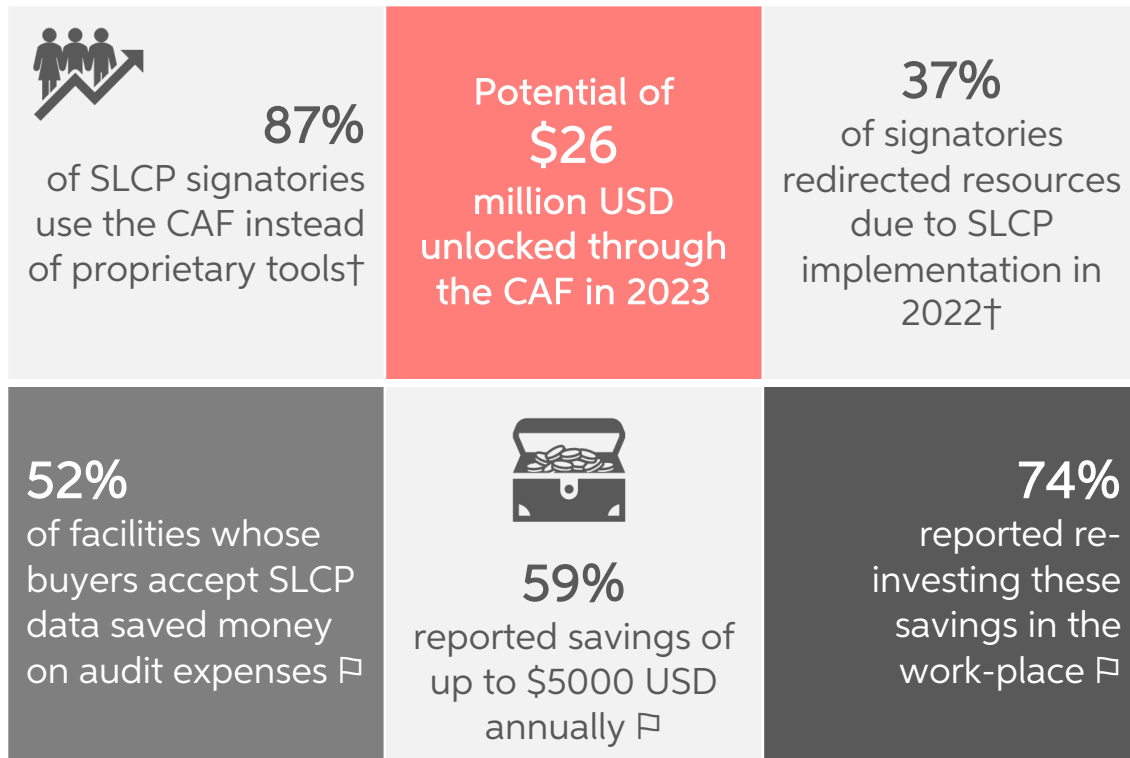


Companies can use this data to undertake meaningful **HRDD**

Rapid growth of SLCP



Unlocking resources through SLCP



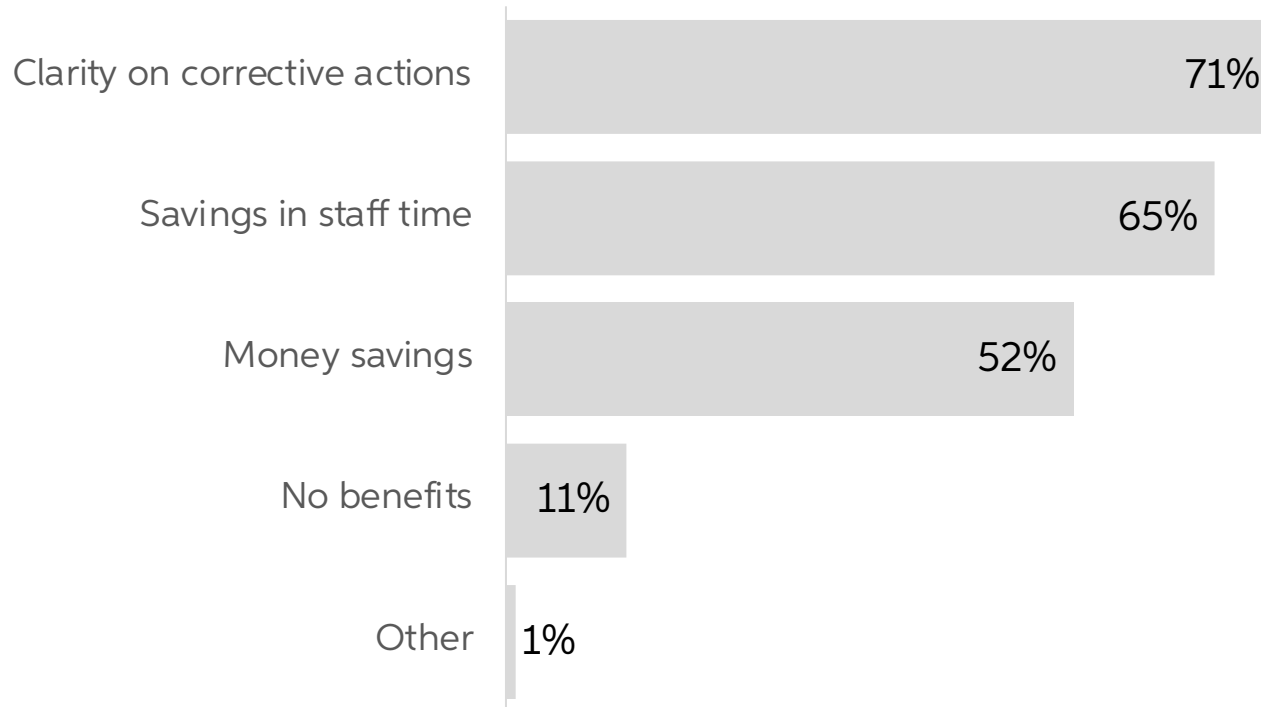
† SLCP Signatory Survey results 2022

☐ [Better Buying Purchasing Practices Index 2023](#)

Benefits of SLCP's Converged Assessment



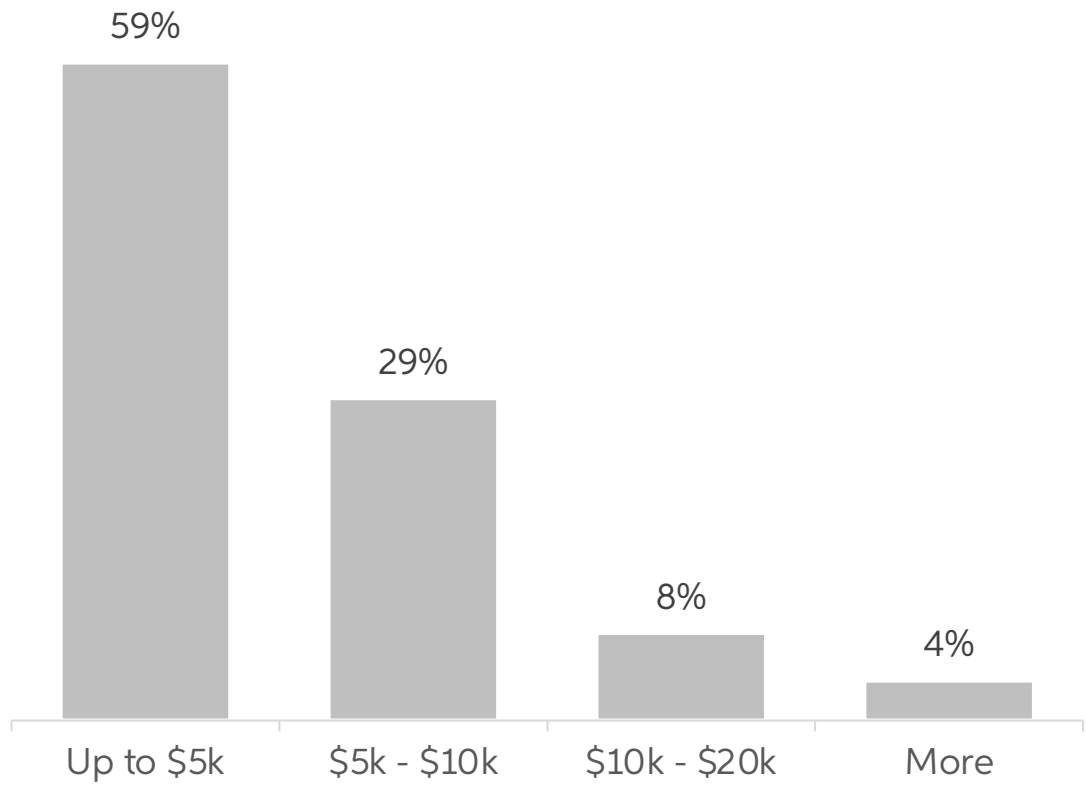
According to Better Buying Purchasing Index Results, 2023



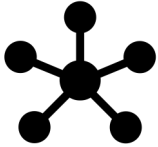
How much are suppliers saving?



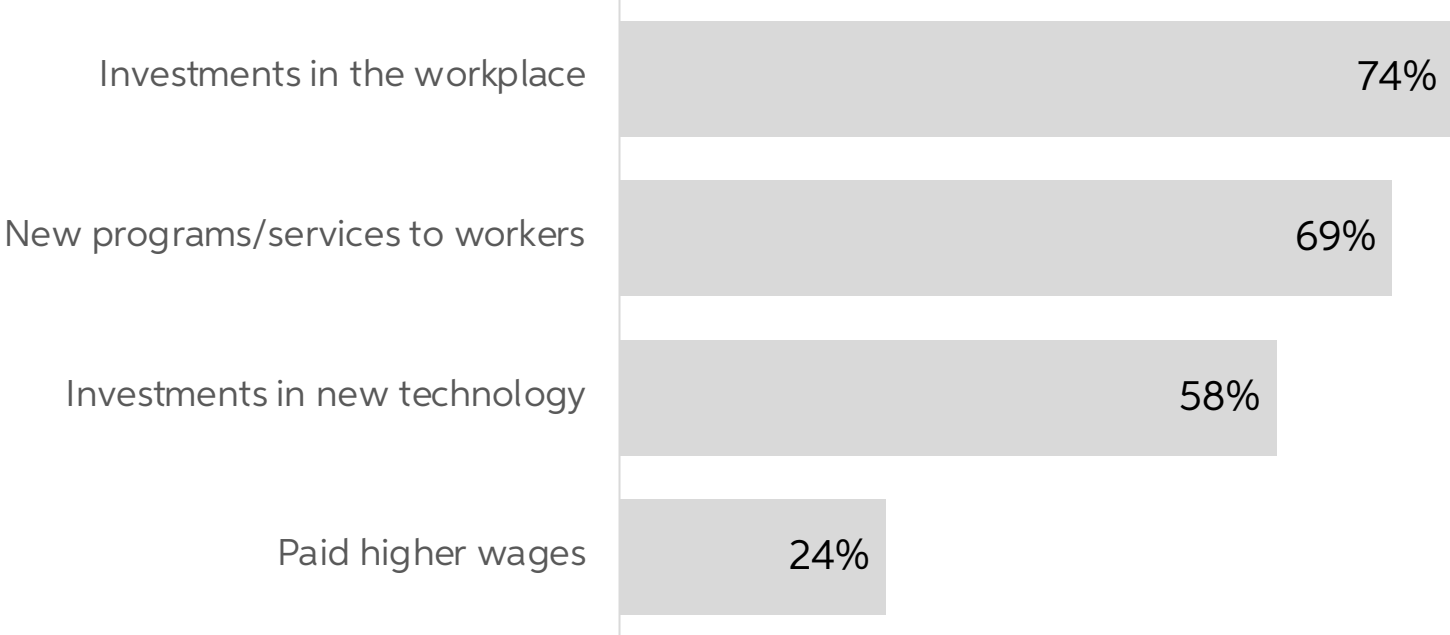
According to Better Buying Purchasing Index results, 2023



How are facilities using the savings



According to Better Buying Purchasing Index results, 2023





4. Panel Discussion Industry Perspectives



Thank you