

The background of the slide features a close-up, slightly blurred view of several spools of thread in various colors (white, black, brown) and a sewing needle, suggesting a manufacturing or textile industry context.

Social & Labor Convergence Program (SLCP)

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

SLCP Data Quality & Integrity: 2023 update
November 14, 2023

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

Online Webinar:

SLCP Data Quality & Integrity: 2023 update

14 November 2023

- Please note that this webinar is being recorded and will be posted online.
- 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.
- Q&A session is at the end of the webinar.





Welcome!

Objectives



Awareness: To boost your understanding of our Data Quality and Integrity strategy, current challenges, and measures in place to tackle them.



Collaboration: To provide concrete examples of different stakeholders who are actively contributing to improving the overall credibility of SLCP data.

Today's agenda

1. SLCP Data quality and integrity strategy
 - SLCP data quality review @Shahi Exports
 - Verifiers' performance monitoring @SMT Global
2. SLCP Quality Assurance Program: where are we now?
 - New Balance engagement via the SLCP Stakeholder QA Program
3. Our actions in 2023 and outlook for 2024
4. Q&A

Meet the speakers



Srinivasa Rao Venkatesh
Chief Compliance Officer



Rambo Pan
General Manager



Loay Tolba
Senior Manager
Strategic development &
Stakeholder engagement



SLCP Data Quality & Integrity Strategy

Credible and actionable data: an ongoing priority



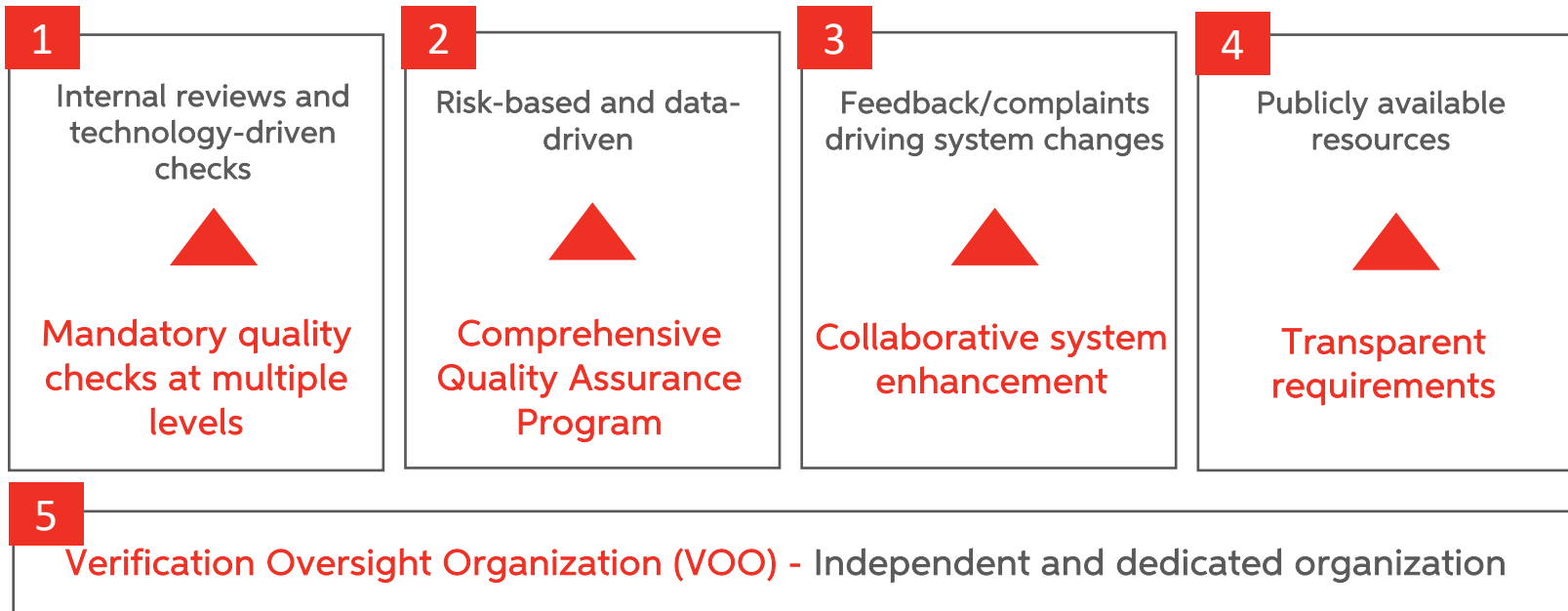
Credible and actionable data: high priority

Anchored in strategy and 25% budget directly related (2023)

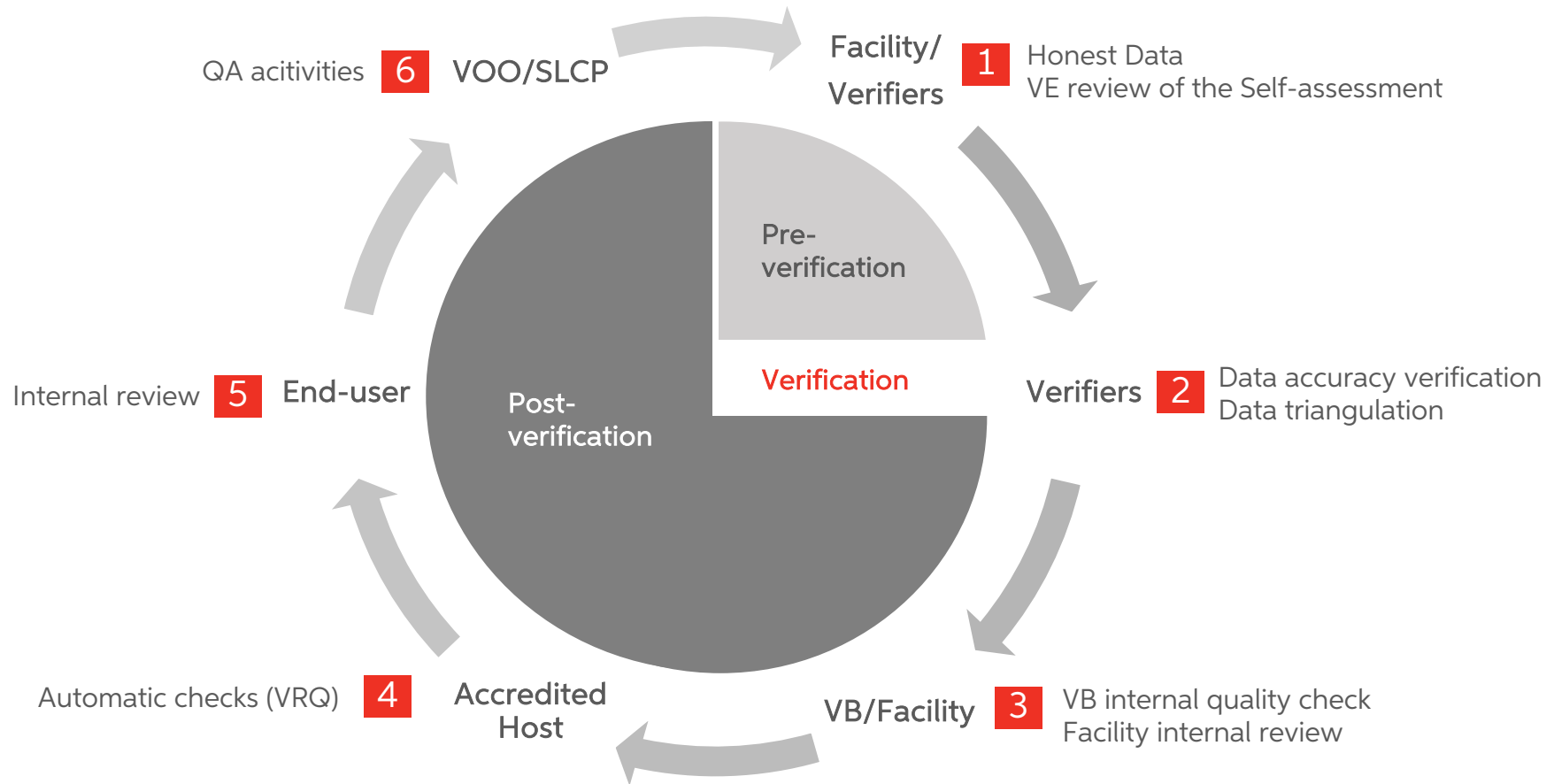
SLCP 2024-2028 Strategic Aims and success criteria

STRATEGIC AIMS	Relevant, effective and scaled tools	Credible and actionable data	Accelerated collaborative improvement programs	Inclusive organization and dynamic ecosystem
SUCCESS CRITERIA	CAF used at scale and in multiple sectors	Diverse stakeholders including governments accept SLCP data	Partnerships that drive improved working conditions	Multi-stakeholder governance and committed partners

How SLCP ensures credible and actionable data



SLCP data quality review cycle



All the above checks are mandatory, as per Verification Protocol's requirements

A manufacturer's perspective



SLCP data quality review @Shahi

1. SLCP and Shahi
2. Procedures to maintain SLCP data quality
 - Roles and responsibilities
 - Internal mock audits



Srinivasa Rao Venkatesh
Chief Compliance Officer
Shahi Exports

SLCP data quality: a VB's perspective



SMT Global experience in monitoring Verifiers' performance

1. SLCP and SMT Global
2. SMT Global comprehensive internal quality control (QC) review
 - Verifier performance monitoring
 - Internal calibration



Rambo Pan
General Manager
SMT Global



SLCP QA Program

Where are we now?

Quality Assurance Program: key pillars

Our activities

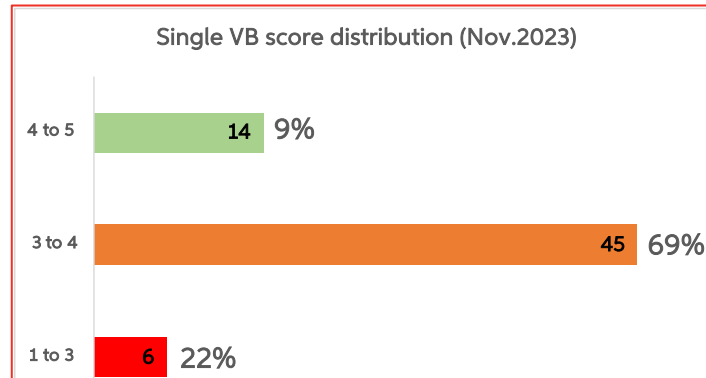
 <p>Verifier Bodies & Verifier performance</p>	<p>Personnel Qualified, Professional, Ethical</p>	<ul style="list-style-type: none"> • Eligibility and selection • Status maintenance • Performance scoring and monitoring • Ongoing engagement and support
 <p>Management and execution of QA processes and procedures</p>	<p>Process Oversight High Quality, Consistent & Precise</p>	<ul style="list-style-type: none"> • Identification of quality issues (on-site and off-site activities + automated checks) • Management of quality issues & unethical behavior cases (CARs, CAPs, investigations) • Procedure improvements
 <p>Stakeholder feedback & collaboration</p>	<p>Continuous Improvement Transparent & Inclusive</p>	<ul style="list-style-type: none"> • Stakeholder QA program • Feedback and complaints mechanisms • Verification Oversight Technical Advisory Committee (TAC) • Collaboration with other schemes

Verifier Body and Verifier performance

Overview Personnel

Personnel Data	Total
Total Number of active VBs	71
Total number of approved Verifiers	975
Suspended VBs	11
Suspended Verifiers	202
Countries covered (approved local Verifiers available)	41

Overview VB performance scoring



VB performance scoring affects a VB's status in SLCP. The VOO analyzes VB scores and produces a statistical distribution. Based on the distribution, VOO determines a **risk scale** based on the curve (scale of deviation from the mean):

Overview [Integrity Oversight Program](#)

Level 1- 11 VBs

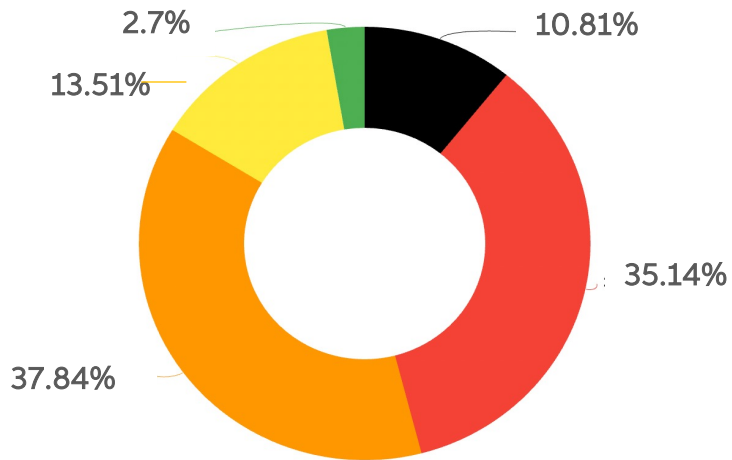
Level 2- 5 VBs

Level 3- 1 VB

Assessment checks & outcomes (YTD)

Desktop Reviews (Human review of the report data and information)

Distribution of Desktop Reviews Report Quality (2023)



2023 - Selection based on “riskier” reports - Types of Issues identified:

- Insufficient Verification Data/ Explanation
- Verification Selection not used correctly
- VE misunderstanding or misinterpretation of question
- Non Compliance not used correctly

Average count of mistakes noted during desktop review (Current Year)

9.5 (+39%) ▲

Insufficient quality reports:

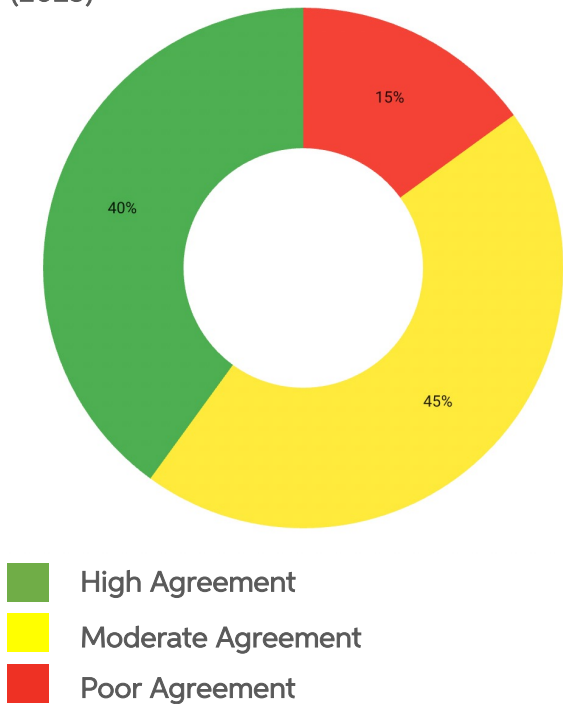
- Corrective Action Request (CAR) issued to VB
- Feeds into VB scores
- Significant issues can result in report invalidation

Update Nov 8, 2023

Assessment checks & outcomes (YTD)

Duplicate Verifications (Complete repetition of the original assessment)

Duplicate Verifications Degree of Variance (2023)



How different are the two verifications?

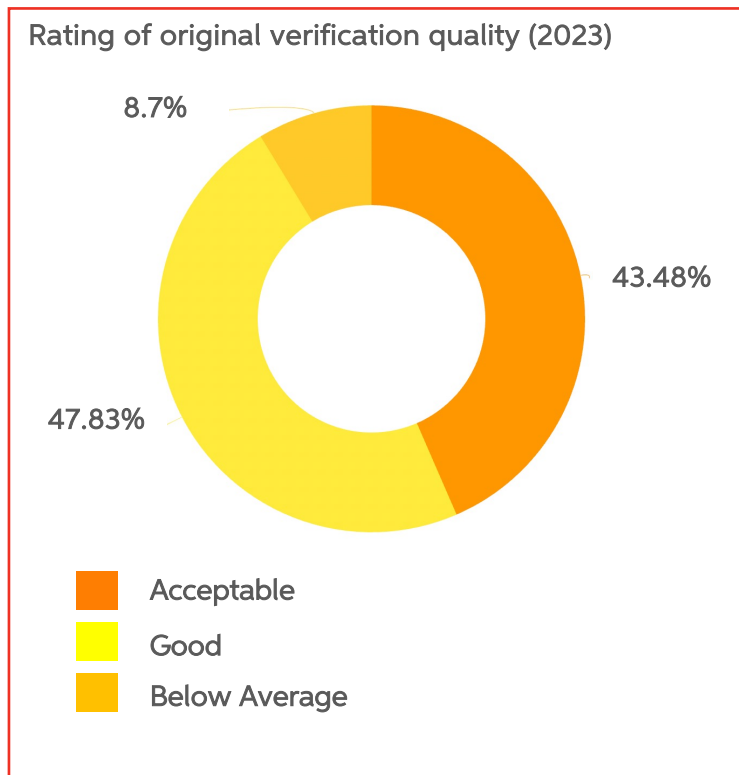
Duplicate Verification Findings	2021	2022	2023
Max Variance	26%	57%	38%
Average Variance	13%	16%	14.5%

Common discrepancies identified (selection only)

- Different interpretation of laws and application
- Different degrees of triangulation and in-depth document review/scope of records review
- Different conclusion based on “point in time” related difference

Assessment checks & outcomes (YTD)

Counter Verifications (Partial repetition of the original assessment)



2023 Counter Verification Findings:

- 43.8% classified 'acceptable'
- 47.83% classified 'good'
- 0% poor quality report
- 0% high quality report

Automated data checks (YTD)

VRQ checks

- **20 checks** conducted on each verification
- **3000+ data points** covered
- **3 minutes** to automatically check each verification

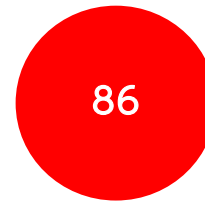
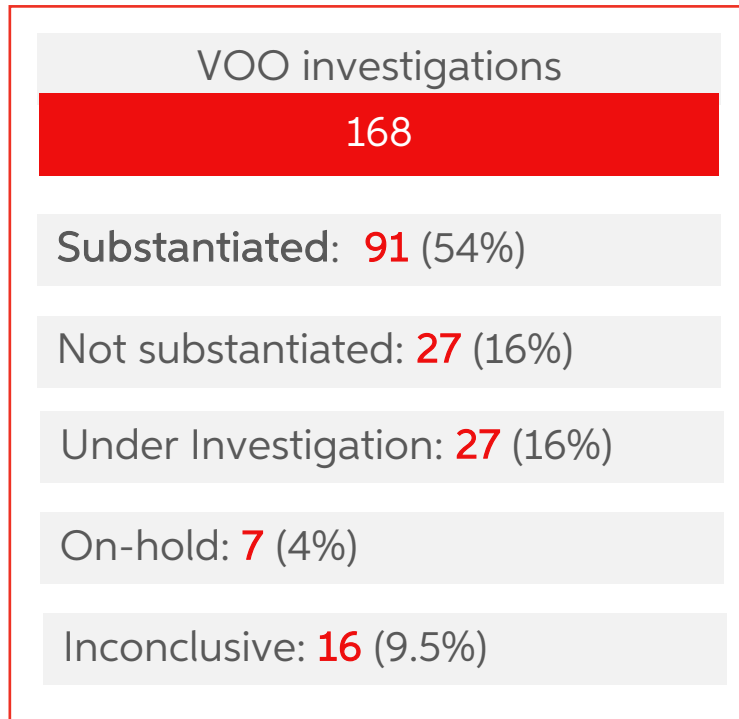
	2021	2022	2023
Total Number of verifications automatically checked in 2021	4516	6550	7785
% of failed assessments which had fixes	61%	74%	74%
% of total assessments which had one failed check	14%	5%	26%

2023 Key Observations

- % of assessments that failed the check which then had fixes by VE is in line with 2022
- 26% of the verifications had at least one error in 2023 (increase compared to 2022)

Investigations (YTD)

Investigations



86 Resulted in CARs

2023 Key Observations

- +16.7% compared to 2022
- 146 tot. complaints received (YTD)
- 85% from members of the Stakeholders QA Program

SLCP data quality: a brand's perspective



New Balance engagement via the Stakeholder QA Program

1. New Balance and SLCP
2. What is considered an SLCP quality issue?
NB categorization process
3. How to report the issues to SLCP?
4. Stakeholder QA Program



Loay Tolba
Senior Manager
Strategic development &
Stakeholder engagement



Our actions in 2023 and outlook for 2024

Our priorities for 2023 and beyond

Enhance QA System Improve VB/VE consistency and performance



1. Promote high quality performers
2. Support Verifiers' capability development

Personnel



1. Create high sense of urgency on quality improvements
2. Create systems to promptly identify -and weed out- low performers
3. Utilize QA resources efficiently

Process Oversight



1. Continue to collaborate with end-users on QA
2. Increase stakeholders' awareness over SLCP DQ&I strategy and QA activities

Continuous Improvement

Our achievements (YTD)

Detailed Measures



- 1) Provided info on the **risk level of VBs** (Publish the levels of the Integrity Oversight Program to the VB Public List)
- 2) Developed **new mandatory training on holistic triangulation** applied to SLCP verification process and data collection tool
- 3) Developing **new mandatory requirements for Assessor/Verifier explanation**

Personnel

✓ Completed

✓ Completed

In progress



- 1) Developed **specific requirements for a new VB role: the Quality Manager** and increased man-days for quality review
- 2) Developed concept for **new VB scoring model**
 - 2.1 Included reoccurrence and severity of the issues as additional criteria
 - 2.2 Identified possibilities to increase fairness of current model
- 3) Developed concept for **new Integrity Oversight Program**

Process Oversight

✓ Completed

✓ Completed

✓ Completed

Our achievements (YTD)- cont.

Detailed Measures

- 1) Targeted communication on DQ&I
- 2) More tailored response by VOO to stakeholders on feedback/complaints
- 3) Re-organized structure of VB Calibration webinars to increase active participation
- 4) Direct engagement (in-person) with VBs: Organized QA Fora in Turkey and China
- 5) Increased **QA Stakeholder Program** participation and eased onboarding procedures



Continuous Improvement

 Completed

 Completed

 Completed

 Completed

 Completed

Outlook for 2024



- 1) Fully align with APSCA (APSCA certified auditors only)
- 2) **Pilot testing new VB selection model** (facility presented with preselected VB list that takes VB score into account)
- 3) **Verifier capabilities development** (focus on country specific risks in social compliance) and **Quality Manager/Reviewer training**

Personnel



- 1) Continued improvement of **predictive analytics** model to drive further automated quality checks and to better identify “risk” patterns
- 2) Continued improvement of **VRQ checks to facilitate fair and transparent Verifier and VB scoring**
- 3) Implement **Integrity Oversight Program** enhancements

Process Oversight



- 1) Refine **QA Stakeholder Program** (cross-collaboration, onsite **QA assistance**)
- 2) Continued collaboration with **APSCA Working Group on Ethics and Integrity** to share best practices
- 3) Continued **targeted engagement with VBs** (“Regional VB Fora”) to drive collaboration toward improved data quality and integrity

Continuous Improvement

How to find out more



- 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](#)

[Data Quality & Integrity page](#) on SLCP website with links to information on all areas of the strategy

Or visit the [SLCP Helpdesk](#) to access all FAQs



Q&A

For all follow up questions after today's webinar, please contact giulia@slconvergence.org



Thank you for
joining!
