Social & Labor Convergence Program (SLCP)
2019 Annual Report

Social & Labor Convergence Program (SLCP)
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2019 Timeline

February

End of 2018 Light Operations

March

Improve to Converged Assessment Framework based on Light Ops

April

Relaunch of SLCP: India, Sri Lanka, China & Taiwan - With 3 active Accredited Hosts: FFC, Higg Co, Sedex

June

Launch of 2019 Operations in Mauritius 

July

Launch of 2019 Operations in Turkey

September

2019 Operations pilot in Indonesia with ILO-Better Work

November

First passive Accredited Host goes live: Inspectorio

December

Launch of 2019 Operations in El Salvador

Guatemala

Honduras

Mexico

Spain
Foreword

“Writing this in early 2020 when the COVID-19 pandemic continues to disrupt supply chains, we can conclude that improving working conditions is a more relevant goal than ever. We expect the future of the apparel & footwear industry to look radically different to its recent past. In a world of digitalization and increased demand for transparency, the need for comparable verified social & labor data is obvious. The need to avoid duplications and unlock resources to invest in improvement programs is undebated. SLCP is at the heart of this.

In 2019 we were able to demonstrate the relevance of the Converged Assessment Framework and prove that the SLCP tools and system work. We completed Light Operations and relaunched again in mid-2019 with enhanced user-friendliness and data quality, on a larger scale.

At the start of 2019, SLCP also transitioned from a Project into a Program. This included a major adjustment to our governance by installing a Council. We also expanded the capacity of the Secretariat. SLCP is now a well-recognized initiative with its own unique position in the landscape.

SLCP is and will remain a learning organization. Active listening is a skill that is at times underappreciated in modern society, but it is at the core of SLCP. We listen to and seek the feedback of our signatories and through their collaboration within the Program, they have the opportunity to listen to one another. It is this ability to foster a culture of listening and learning that has driven SLCP from development to implementation.

With the official launch of operations, the shift to a Program, and the implementation of our 5-Year Strategic Plan, 2019 was a crucial year for SLCP and one of significant change. This annual report describes the progress made and the opportunities identified. Whilst acknowledging that we’ve still a lot to learn and adjust along the way, we can be confident of the future.”

Janet Mensink, Executive Director, SLCP
Program Governance

2019 was the first year of the 5-Year Strategic Plan that sets the path for SLCP’s transition from development to implementation at scale. In January 2019, SLCP changed from a “Project” to a “Program” and implemented a simplified governance structure. The new SLCP Council was established; a strategic and future-focused body which shapes the strategic priorities of the Program and ensures that it fulfils its Mission and Vision. For a full list of Council members, see annex 2.

New Governance Structure

The diagram below is taken from the 5-Year Strategic Plan and sets out SLCP’s governance structure from 2019 onwards.

SLCP Council
9 signatory representatives: 3 manufacturers & suppliers, 3 brand & retailer, 3 other stakeholders
3 expert members
2 intergovernmental observers
1 independent Chair

Executive Director
Reports to Council via Chair

Secretariat
Senior Managers
Support Staff

Technical Advisory Committee(s)
Approved by Council

Council Committees
Finance & Audit
Governance & Nominations
Dispute Resolution

Building the Secretariat

In line with the 5-Year Strategic Plan’s vision of a strong and autonomous Secretariat, more day-to-day decision making passed to the Executive Director in 2019. Two additional Senior Managers, Communications & Stakeholder Engagement and Technology, were recruited during 2019, as well as several freelance, part-time support staff, to create a fully staffed Secretariat and Support Team.

“Serving on the SLCP Council has not only been one of the highlights of my career, but has afforded me a first-hand perspective on this critical leading and guiding component to SLCP. My observation has been that the Council is effectively structured with representation from all stakeholders in the industry, working collectively towards ensuring the mission and goals as established by the SLCP are realized. The independent expert seats have also afforded the Council excellent insight and perspective on specific decisions that impact SLCP. As a whole, the group has established an environment that encourages robust discussion on key topics that have led to well informed and thought out Council decisions.”

Darren Chastain
Sr. Manager, Systems and Data Insights
Gap Inc., Global Sustainability and Foundation
Technical Advisory Committees
At the start of 2019, all working groups were dissolved and replaced with six Technical Advisory Committees (TAC). Each TAC is facilitated by a member of the Secretariat and its mandate is to advise the Secretariat on program decisions; to support in the implementation & roll-out of the program; and to flag the strategic relevance of operational decisions (and vice versa). The TACs cover the following topics:

1. **Converged Assessment Framework**: on maintaining quality and relevance of our Data Collection Tool and verification methodology.
2. **Operation/Country Roll Out**: on roll-out countries, operational strategy to reach targets in those countries, support and training.
3. **Verification Oversight**: on maintaining quality and integrity of verification.
4. **Data Hosting & Sharing**: on providing high-quality IT systems for sharing verified assessments.
5. **Partnership with ITC**: on coordination of strategic partnership with ITC.
6. **Stakeholder Engagement & Communication**: on expansion and support of SLCP with signatories and stakeholders.

For C&A, high-quality data is of great importance for scaling our adoption of SLCP. Therefore, we decided to be part of the Technical Advisory Committee for Verification Oversight (VO). Being a TAC member gives me a detailed understanding of the inner-workings of SLCP quality assurance and the work of the Verification Oversight Organization (VOO). It is a rewarding experience in many ways: the TAC helps to shape the VO methodology, e.g. the Quality Assurance Manual and the way the VOO works. TAC members come from a wide range of organizations, bringing varied opinions to the table. Thanks to good preparation and facilitation by SLCP, the TAC works efficiently, making the most of our time.”

Caren Jakubasch
Unit Leader Supply Chain - Social Stewardship, C&A
Reflections by the Independent Chair of the Council

Interview with Pierre Hupperts

2019 was the first full year of SLCP operations with many significant milestones. For you personally, what do you consider SLCP’s biggest achievement in 2019?

“Looking back at the first full year of implementation, the standout achievement for me is that the SLCP system works. We have proven in 2019 that the Converged Assessment Framework, which our signatories spent several years developing, is fit for purpose. As too is SLCP’s decentralized model for data hosting and sharing. This puts us in a strong position to scale up. Secondly, I continue to be extremely proud of the positive spirit of the Program; it is thanks to the collaborative and solution-orientated contribution and approach taken by our signatories that we have been able to achieve such progress. Finally, I was excited to see the start of pilot with ILO-Better Work in Indonesia in 2019 and believe this will lead to the possibility of extending and deepening our partnership in the future.

2019 was also the first year of the ambitious 5-Year Strategic Plan – were the targets for this first year met?

Yes and no. In terms of the SLCP system and organization, we were ready for massive roll-out in line with our targets. However, 2019 taught us that it takes time to make the internal changes needed within companies and organizations for full SLCP adoption. The will is there. SLCP can support signatories as they get to grips with the practicalities of implementation. The value-add of SLCP in terms of efficiency, convergence and reducing audit fatigue is alive and remains extremely relevant.

Now that we are aware of the huge impact of COVID-19 on global supply chains, what role do you think SLCP can play in the post-pandemic reality?

SLCP has a clearly defined scope: our core business is convergence, data collection & verification, and collaboration. It is in this context that we have to see how best we can contribute our knowledge and expertise to the wider industry response. We have and continue to be engaged with various industry-wide initiatives. By providing credible and comparable data, we believe SLCP will have an important role to play in a post-pandemic reality where collaboration, efficiency, digitalization and innovation will be key priorities.”
In Detail: First Year of SLCP Implementation

Overview of Milestones

End of Light Operations
The “Light Operations” that began in China and Sri Lanka in November 2018 to pressure test the full SLCP system concluded in February 2019. In total, 150 facilities completed an SLCP verified assessment and over 100 SLCP approved Verifiers were trained. Light Operations gave SLCP its proof of concept and provided a rich set of information on how to further improve the Converged Assessment Framework and the SLCP system. Following a two-day evaluation meeting in Hong Kong in March, an in-depth learning & evaluation report was released to signatories and stakeholders.

Improvements to the CAF
Following Light Operations, the Secretariat spent three months updating and improving the Converged Assessment Framework and the assessment system and process. Many of the changes focused on improving the user experience and ensuring a smooth customer journey through the SLCP assessment process.

Relaunch: Scaling SLCP Implementation
The relaunch of SLCP operations in June marked the beginning of implementation at scale. SLCP and the International Trade Centre (ITC) issued a joint-press release to announce the relaunch. SLCP operations began in China & Taiwan, India and Sri Lanka with a series of launch events and local media coverage. The phased roll-out continued throughout 2019 and, by the end of the year, SLCP was operational in 12 countries.

Summary of Key 2019 Achievements
By the end of the year, close to 500 verified assessments had been completed and over 800 facilities had created accounts in the SLCP Gateway. The rest of this chapter provides a summary of activity & achievements in four key areas of the program.
Converged Assessment Framework

Updated & Translated
The three elements of the Converged Assessment Framework (the Data Collection Tool; the Verification Protocol; and the Verifier Guidance) were all updated following Light Operations. The updated CAF is clearer and more robust. By the end of 2019, the CAF was also available in Simplified Chinese and Spanish. Feedback from facilities and Verifiers that went through the assessment and verification process in 2019 was generally positive, although the complexity and length of the Data Collection Tool was a common complaint. These issues will be addressed during the 2020 Tool review.

Assessment Conversion Rate
The decrease over the year in the time taken from the start to the end of the verification process (the “assessment conversion rate”) demonstrates an increasingly smooth user experience for both facilities and Verifiers, perhaps correlated to an increase in SLCP helpdesk support and training provided by SLCP and signatories, and the growing experience of Verifiers.

Accuracy & Legal Flags
The average accuracy index of facility self-assessments was 89% (with a range from 32 to 99%). This means that, on average, 89% of the data recorded by the facility in the self or joint-assessment was found to be accurate by the Verifier. The majority of verified assessments (71%) had “legal flags” with an average of 7.9 flags per assessment. Legal flags mean that the Verifier has identified a data point that is not in line with local law. Legal flags exist primarily in 3 areas: Wages & Benefits, Working Hours, and Health & Safety. The accuracy index was significantly lower in areas where legal flags were found, demonstrating the necessity of verification.

“Based on the SLCP verified assessment data, we identified the improvements areas of our performance and required our factory to take corrective actions accordingly, to improve our system.”
Anonymous SLCP signatory manufacturer, Signatory Survey, December 2019
Country Roll-Out and Support

Training at Scale
Light Operations demonstrated the need for a scalable training option, leading to the development of a seven-module e-learning package for all SLCP users, delivered by ITC. Throughout 2019, the e-learning was translated into Simplified Chinese, Spanish and Turkish. In total, 1700 users logged into the e-learning in 2019 although uptake of the local language versions was lower than anticipated.

Launch Events
To complement the e-learning and to ensure a high-level of in-country engagement, a series of in-person and virtual launch events were held throughout 2019 in collaboration with ITC. In-country events were sponsored and supported by locally based signatories.

Helpdesk Support
A Support Team with local Chinese and Indian language skills was established to respond to support tickets on the helpdesk and to run “open office hours”. Based on common enquiries, an extensive set of FAQs was developed and translated into Simplified Chinese, Spanish and Turkish. Facilities could also opt-in to receive a fortnightly email newsletter with tips and advice on completing their SLCP verified assessments.

Facility Profiles
87% of verified assessments in 2019 were in China, followed by India (6%), Sri Lanka (3%) and Taiwan (3%). 43% of verified assessments were in sewing or final product assembly facilities, followed by packaging (17%) and trim (10%). 50% of verified assessments were in apparel facilities, followed by accessories (20%), other (12%) and footwear (10%).

Signatory Adoption
In December 2019, a survey of SLCP signatories found that 70% of signatory brands and manufacturers had begun implementing the Converged Assessment Framework in 2019 (74 signatories responded including 35 brands and 12 manufacturers). Over two thirds of respondents cited the time needed to make necessary changes within their organization as the most significant factor affecting their ability to fully implement SLCP. Follow-up interviews with 11 brands highlighted the challenge of getting the message to in-country brand teams and to the right people at facilities, as launch events were often attended by management staff. Despite these challenges, 53% of the 35 brands that completed the survey reported that they had been able to use the CAF in place of their proprietary audits to some extent in 2019.

Support in numbers
Since kick-off in June 2019

<table>
<thead>
<tr>
<th>12 launch events</th>
</tr>
</thead>
<tbody>
<tr>
<td>in India (Bangalore, Tirupur, Mumbai, Gurugram), China and Taiwan (Shanghai, Quanzhou, Shenzhen, Taipei), and Turkey (Istanbul, Bursa, Izmir).</td>
</tr>
<tr>
<td>around 100 people per event</td>
</tr>
<tr>
<td>packed rooms in Bangalore, Shenzhen and Istanbul</td>
</tr>
<tr>
<td>launch webinar held in Spanish for Spain and Central America</td>
</tr>
<tr>
<td>with the participation from ITC, Levi’s, Gap Inc., Sedex and Nextil</td>
</tr>
<tr>
<td>e-learning of 7 modules developed</td>
</tr>
<tr>
<td>on SLCP, ITC, the Data Collection Tool, Verification, Quality Assurance, the Gateway and Accredited Hosts</td>
</tr>
<tr>
<td>support available in 4 languages</td>
</tr>
<tr>
<td>e-learning, FAQs and resources translated from English into Simplified Chinese, Spanish and Turkish</td>
</tr>
<tr>
<td>support team quick to respond</td>
</tr>
<tr>
<td>2 team members, based in Dongguan (China) and Bangalore (India), responded to just over 1,000 tickets in English and Simplified Chinese</td>
</tr>
</tbody>
</table>
Verification Oversight

Recruitment of Verifier Bodies & Verifiers
Sumerra acted as Verification Oversight Organization (VOO) in 2019. Following lessons learned during Light Operations, the eligibility requirements for Verifier Bodies and Verifiers were made stricter for 2019 operations. In total, 47 Verifier Bodies were approved and 24 of them carried out SLCP verifications in 2019. 247 individuals were approved by SLCP as Verifiers out of a total 523 applications (47%), 164 of them were involved in carrying out verifications in 2019. The majority of Verifier Bodies (83%) and Verifiers (90%) were third party.

Quality Assurance Activities
The VOO conducted a range of quality assurance activities including desktop reviews, counter verifications and Verifier Body management systems checks. Desktop reviews found an average of 13 issues, typically in the range of 5-10 significant issues and 5-10 minor issues out of a potential 1000+ data points. 76% of reports reviewed were found to be of sufficient quality (ranging from acceptable to very good). The VOO scored Verifier Bodies on their performance and provided feedback as necessary, as well as commencing regular calibration meetings in December 2019.

<table>
<thead>
<tr>
<th>Top 5 Most Common Issues (Desktop Reviews)</th>
<th>% of Total Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verification selection not entered correctly</td>
<td>31%</td>
</tr>
<tr>
<td>Insufficient verification data</td>
<td>21%</td>
</tr>
<tr>
<td>Corrected response not entered correctly</td>
<td>17%</td>
</tr>
<tr>
<td>Technology issue</td>
<td>13%</td>
</tr>
<tr>
<td>Inconsistent information</td>
<td>7%</td>
</tr>
</tbody>
</table>

“The Verification Oversight TAC is a great forum for sharing input and feedback on the progress of the oversight activities and initiatives to strengthen requirements for Verifier competencies and approvals. The opportunity to share views across the different constituents helps to build a consensus and takes account of all perspectives to build on learnings and ensure full buy-in”.

Effie Marinos
Certification and Business Enhancement
Global Technical Governance Manager, Responsible Business Services
SGS
Data Hosting & Sharing

Decentralized Model: Proof of Concept
The first full year of operations demonstrated that SLCP’s decentralized model of data hosting and sharing works effectively. Following its initial launch during Light Operations, the SLCP Gateway, built and operated by ITC, continued to operate as the central repository at the heart of the system in 2019. Throughout the year, the monthly number of users on the Gateway ranged from 2500-3000 (compared to 850 during Light Operations). Based on learnings from Light Operations, the technical specifications and business rules for the Accredited Hosts were enhanced to ensure the smooth transfer of high-quality data from and to the Gateway.

Accredited Hosts
Verified assessments were carried out on three active Accredited Hosts and one pilot active Accredited Host in 2019: Higg Co; FFC; Sedex and ILO (pilot). In December 2019, the first passive Accredited Host (able to pull data from the Gateway only), Inspectorio, was introduced into the ecosystem.

Tech Collaboration
Representatives from ITC, the VOO and all Accredited Hosts coordinated closely throughout the year in the Technology TAC facilitated by the Secretariat’s Technology Manager. The group met in person in Paris in February to prepare for operations, and again in Amsterdam in October to define an ambitious technology roadmap for 2020 and beyond.

External Review
In late 2019, the SLCP technical ecosystem was reviewed by PricewaterhouseCoopers. The analysis, sponsored by leading SLCP signatory brands, assessed SLCP’s technical infrastructure and documentation. The review validated that the technical setup is fit for purpose and identified additional features to enhance the infrastructure in the coming years.
Strategic Collaboration

ITC

The International Trade Centre (ITC) is a key partner of SLCP. ITC built and operates the Gateway at the heart of the SLCP data hosting and sharing ecosystem. ITC also plays a leading role in the development and delivery of SLCP e-learning, translations and face-to-face training and events. Below, Joseph Wozniak, Head of Trade for Sustainable Development at ITC, answers some questions about the partnership between SLCP and ITC.

ILO-Better Work

ILO-Better Work and SLCP have a shared goal to end duplication and produce actionable data that can be available for all industry stakeholders to act upon, including governments and workers’ and employers’ organizations. In the past few years, ILO-Better Work has provided both strategic and operational advice and feedback to the SLCP tool development process. In 2019, ILO-Better Work supported a pilot of the SLCP tool in Indonesia. Based on the positive outcomes of the pilot, which demonstrated the opportunity SLCP provides to drive convergence and reduce audit fatigue, ILO-Better Work will collaborate with SLCP in 2020, co-leading the review of the Data Collection Tool. SLCP will draw on ILO-BW’s expertise to improve alignment on national legislation and International Labor Standards, and to increase worker engagement in the self-assessment process.

HSBC

In late 2019, SLCP agreed a two-year partnership with HSBC to drive the roll-out of SLCP at scale. HSBC’s support will enable SLCP to provide more in-country training and capacity building in a local context, as well as embedding SLCP in national and regional settings in 2020 and 2021. Activities will include the development of local-language training materials, helpdesk support in local languages, a range of online and in-person training events, and data analytics.

Why did ITC choose to work with SLCP?

“The significant complementarity between the missions of our two organizations drives our collaboration. We share the same goals of reducing inefficiencies and overcoming the proliferation of standards through convergence. The robust multi-stakeholder nature of SLCP was a key factor in our decision to collaborate. Engagement with organizations such as the OECD, the ILO and national governments during the development of SLCP gives the program credibility. Additionally, for an initiative such as this to succeed and scale, cross-industry support is vital, and SLCP has this. This becomes even more relevant in a time of COVID-19; with increasing economic pressures on businesses, reducing costs and improving efficiency & resilience will be key to recovery and to protecting workers.”

What were the key outcomes of the SLCP-ITC collaboration in 2019?

2019 was an important year in many ways. Launching the Gateway for operations at scale validated that the system works. Through the close collaboration between the Secretariat and the ITC team, we were also able to solidify and streamline our coordination with a clear and detailed technology roadmap. Finally, we are proud of the e-learning package we delivered for SLCP and our collaboration on the series of in-country launch events.

How do you envisage the SLCP and ITC partnership progressing in 2020?

As we adapt to the new reality of the global pandemic and its impact, we will need to be agile in our response. We have already been able to shift quickly from a planned series of in-country training to virtual events. Although 2020 adoption may be slowed slightly, this gives us an opportunity to consolidate learnings from the recent tech review to future-proof the technology, as well as time to develop the collaboration with ILO. This will put us in a strong position to be ready for further scaling of operations in 2021.”

Joseph Wozniak
Head of Trade for Sustainable Development, ITC
Stakeholder Engagement

Updating Signatories
In addition to the close coordination with the TACs, the Secretariat updated the signatory base regularly on program development, mainly via email newsletters sent approximately every 1.5 weeks. Signatory update webinars were held twice during the year with an average of 130 attendees per webinar.

Stakeholder Events
SLCP organized five in-person stakeholder meetings in 2019 in Paris, Barcelona, Zurich, Lahore and New York. In addition, seven joint events were held either online or in person with the Accredited Hosts. An external stakeholder newsletter was sent on a quarterly basis. SLCP also engaged with stakeholders via LinkedIn, with the number of followers almost doubling (to 800) within the year. The SLCP WeChat account acquired over 900 followers in China in six months alone.

SLCP on the Agenda
SLCP was invited to speak at over twenty industry conferences and events throughout the year, represented by either the Secretariat, a Council member or a signatory. In the December signatory survey, 77% of respondents said that they actively promote SLCP to their supply chain partners.

Support from ITMF and IAF
The International Textile Manufacturers’ Federation and the International Apparel Federation are SLCP signatories and a strong supporter of SLCP’s vision and mission. In 2019, ITMF and IAF were key partners in promoting SLCP within the manufacturing industry. Their support included co-hosting events, speaking on behalf of SLCP at several events, participation in launch events, and holding sessions on SLCP at their annual members meeting.

SLCP on Sustainability Map
At the end of 2019, the Converged Assessment Framework was added to ITC’s Sustainability Map, enabling comparisons with other schemes. SLCP began reaching out to some of these stakeholders to discuss the initial comparison findings with a view to exploring potential convergence. This work will continue in 2020.
Vision and Mission Check

SLCP Objective: Resources Unlocked
In 2018 SLCP undertook research to demonstrate the viability of SLCP’s vision and mission. The research included an estimation of the total resources used for social audits; insights into duplication in social audits; and an analysis of the total potential for audit resources that could be unlocked if the Converged Assessment Framework is adopted in a short, medium, and long-term scenario. It concluded that based on “realistic” adoption targets, use of SLCP could free up over $134 million annually by 2023.

2019 Progress Check
At the end of the first full year of implementation, the same methodology used in the 2018 research was used to assess whether SLCP is on track to achieve this outcome. Based on the total number of verified assessments completed in 2019 (455) compared to the average number of shares per assessment (1.5), 2019 operations resulted in a total saving of $568,000 USD. However, many signatories invested time and resources in 2019 to implement SLCP within their supply chains. This included training, awareness-raising and updating/changing internal systems to ensure SLCP compatibility. At this early stage of SLCP roll-out therefore, it is likely that the resources unlocked through SLCP are offset by the cost of implementation.

Summary of Impact
The table below summarizes the impact of SLCP operations and adoption in 2019 and highlights some of the key next steps for 2020.

### 2019 Operations: Summary of Impact

<table>
<thead>
<tr>
<th>Operations</th>
<th>455 verified assessments completed</th>
<th>1.5 shares per assessment*</th>
<th>$568k USD unlocked*</th>
<th>15% of total revenue from earned income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adoption</td>
<td>70% of SLCP signatories started using the CAF**</td>
<td>53% of SLCP signatory brands used CAF instead of proprietary tools**</td>
<td>Case study: one manufacturer saved 20 audits in 2019</td>
<td>Case studies: brands using SLCP as main source of social supply chain data</td>
</tr>
<tr>
<td>Next Steps</td>
<td>Signatory brands to make public commitment to SLCP</td>
<td>SLCP to expand partnerships including with ILO-BW</td>
<td>62% of SLCP signatories expect to redeploy resources through use of SLCP by 2023**</td>
<td>SLCP to enhance research on verified data and start aggregated reporting to drive transparency</td>
</tr>
</tbody>
</table>

*This is the estimated average share per report in 2019 & estimated amount of resources unlocked based on SLCP methodology

**SLCP signatory survey in December 2019 (12 manufacturers and 35 brands)
## Financial Summary

<table>
<thead>
<tr>
<th>2019 SLCP Costs USD</th>
<th>CC2 Approved Budget</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>STAFF (+ governance)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Secretariat staff salaries</td>
<td>535,000</td>
<td>483,415</td>
</tr>
<tr>
<td>Governance - Council</td>
<td>40,000</td>
<td>47,666</td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>575,000</strong></td>
<td><strong>531,081</strong></td>
</tr>
<tr>
<td><strong>OPERATIONS &amp; ADMIN</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SAC hosting fee</td>
<td>100,000</td>
<td>130,674</td>
</tr>
<tr>
<td>Services</td>
<td>15,000</td>
<td>17,230</td>
</tr>
<tr>
<td>Events</td>
<td>25,000</td>
<td>14,812</td>
</tr>
<tr>
<td>Marketing &amp; comms</td>
<td>20,000</td>
<td>633</td>
</tr>
<tr>
<td>Travel</td>
<td>50,000</td>
<td>42,575</td>
</tr>
<tr>
<td>Local country partnering</td>
<td>20,000</td>
<td>30,155</td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>230,000</strong></td>
<td><strong>236,079</strong></td>
</tr>
<tr>
<td><strong>CONSULTANCY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>110,000</strong></td>
<td><strong>64,225</strong></td>
</tr>
<tr>
<td><strong>VERIFICATION OVERSIGHT</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>450,000</strong></td>
<td><strong>328,367</strong></td>
</tr>
<tr>
<td><strong>CONTINGENCY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>sub-total</strong></td>
<td><strong>73,000</strong></td>
<td><strong>24,158</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,438,000</strong></td>
<td><strong>1,183,910</strong></td>
</tr>
</tbody>
</table>

### 2019 SLCP Revenue USD

<table>
<thead>
<tr>
<th>CC2 Approved Budget</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EARNED/ON-GOING</strong></td>
<td></td>
</tr>
<tr>
<td>Verification fees</td>
<td>323,000</td>
</tr>
<tr>
<td>AH fees</td>
<td>106,250</td>
</tr>
<tr>
<td>Other</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>429,250</strong></td>
</tr>
<tr>
<td><strong>UNEARNED/SEED FUNDING</strong></td>
<td></td>
</tr>
<tr>
<td>Signatories contributions</td>
<td>1,084,960</td>
</tr>
<tr>
<td>Grants</td>
<td>0</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td><strong>1,084,960</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,514,210</strong></td>
</tr>
</tbody>
</table>

### Balance

<table>
<thead>
<tr>
<th>CC2 Approved Budget</th>
<th>Actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance</td>
<td>76,210</td>
</tr>
</tbody>
</table>

**Notes**

- Lower adoption than expected, resulting in less earned income. Expenses reduced.
- End of year surplus of $134,000 USD, which is carried over to 2020.
Annex 1: Signatory List December 2019 (203)


Agents (5): Ethical Apparel Africa, Haddad Group, Li&Fung (Trading) Ltd., MGF Sourcing, Randa Accessories

National Governments (2): Denmark - Ministry of Foreign Affairs, Netherlands Government


Industry Association (11): Abvtex, AIM-Progress, American Apparel & Footwear Association (AAFA), EURATEX, European Outdoor Group (EOG), Istanbul Apparel Exporters’ Association (IHKB), International Apparel Federation (IAF), ITMF, JAAF, Outdoor Industry Association (OIA), Turkish Textile Employers Association (ITEA)


Intergovernmental Organizations – observer status (3): ILO, OECD, Better Than Cash Alliance
Annex 2: Council Members

2019 SLCP Council

Abhishek Bansal
Representative for Manufacturers & Suppliers

Aleix Busquets Gonzalez
Representative for Brands & Retailers

Anna Burger
Expert Seat

Baptiste Carriere-Pradal
Representative for MSIs & Standard Holders

Darrell Doren
Representative for Audit Firms & Service Providers

Darren Chastain
Representative for Brands & Retailers

Melina Tse
Representative for Manufacturers & Suppliers

Nikhil Hirdaramani
Representative for Manufacturers & Suppliers

Ninh Trinh
Representative for Brands & Retailers

Pierre Hupperts
Independent Chair

Steve Harris
Expert Seat

Tamar Hoek
Representative for Civil Society

“I think the new Council is a good representation of SLCP signatories, with highly dedicated and qualified people. We have active committees that work on governance, finances and strategy and help SLCP to be able to move forward and really settle. But we can also challenge each other and have real discussions on where we feel the SLCP needs to move towards, like the collaboration with ILO-BW; the impact of COVID-19; the country roll-out plan; and finances.”

Tamar Hoek
Senior Programme Manager Sustainable Textiles, Solidaridad Network