Social & Labor Convergence Program (SLCP)


Using SLCP Data Webinar
06 February 2020
In line with the Social & Labor Convergence Program (SLCP) “rules of engagement”, we all commit to the following practices to ensure high quality interactions over the course of meetings/webinars and we:

• Have authentic, trust-based and respectful conversations
• Assume good intentions, listen to other opinions and are open to learning from others
• Are aware and sensitive to the tension between open dialogue and efficient use of time and offer additive contributions to the discussion.
• Operate under Consensus
• Observe Chatham House Rules
• Follow Anti-trust Guidelines

Find the link to the SLCP governance document on the Connect platform (for SLCP signatories) here
Webinar Objectives

1. Understand the scope of SLCP

2. Understand the SLCP data hosting & sharing model

3. Introduction to the services SLCP Accredited Hosts can provide to help you make use of SLCP verified data
Introduction

Reminder of SLCP scope and operating model
SLCP
Vision and Mission

SLCP is a multi-stakeholder initiative to reduce audit fatigue and improve working conditions.

VISION:

MISSION:
To implement a converged assessment framework that supports stakeholders’ efforts to improve working conditions in global supply chains.
Converged Assessment Framework

The Converged Assessment Framework (CAF) consists of:

1. Data Collection Tool
2. Verification Protocol
3. Verifier Guidance

The CAF is used to complete a 3-step assessment process:

- Data Collection
- Data Verification
- Data Hosting & Sharing

The 3-step assessment process results in an agnostic data set:

- Verified assessment report with no scoring (no pass/fail or ranking)
Why doesn’t SLCP provide scoring?

Verifiers confirm accuracy of self-assessment data and correct where necessary but they **do not** score the data.

Converged Assessment Framework provides:

- ✔ data collection tool
- ✔ robust verification methodology

but **no** scoring or analysis of the data.

This results in a **high quality data set with no value judgement.**
The Role of Accredited Hosts

SLCP utilizes existing platforms – these platforms are known as Accredited Hosts (AH).

**Active Accredited Hosts**
- Provide the Converged Assessment Framework on their platforms
- SLCP assessments and verifications take place here
- End-users can access verified SLCP data here
- Can provide “value-added” services on top of the SLCP verified data

**Passive Accredited Hosts**
- End-users can access verified SLCP data here
- Can provide “value-added” services on top of the SLCP verified data
Data Hosting & Sharing System

Platforms used by facilities and Verifiers to complete SLCP assessments & verifications

Active Accredited Hosts

Central repository for all verified SLCP assessments. Facility controls data sharing here.

SLCP Gateway

Platforms that distribute SLCP verified data to end-users (e.g. brands or standard holders) with additional services (e.g. analysis or scoring)

Active & Passive Accredited Hosts

Active and Passive Accredited Hosts provide services to help the end-user use SLCP verified data
SLCP Accredited Hosts

Today’s Webinar:

Sedex®

FFC

20 February Webinar:

Higg Co

Inspectorio
Empowering responsible supply chains
Who we are

We help companies improve responsible sourcing in their supply chain to help protect people’s working conditions and the environment.
Who we are

Sedex is a global organisation, dedicated to helping companies drive responsible business practices in their global supply chain.

15 Years
60,000 Members
180 Countries

Managing an ethical supply chain

sedexglobal.com
Where we work

Managing an ethical supply chain

sedexglobal.com
Who we work with

We work across 35 industry sectors

Managing an ethical supply chain
How Sedex works

**Buyers** can manage all their suppliers’ data in one place, run reports and assess risks

**Auditors** can upload different types of audits, documents and photographs on behalf of buyers and suppliers

**Suppliers** can share data on their responsible business practices with multiple buyers

Managing an ethical supply chain
Sedex core products and services

We help you identify and manage risk in your supply chain to improve working conditions for people and protect their environment.
Sedex pillars of sustainability

Working across 4 areas, we help protect

- People
- The environment
- Business
Sedex Analytics

My Suppliers Tracker

Reports will show an overview of the supply chain data

Managing an ethical supply chain
Risk Assessment Tool
- Rate supplier sites with a risk rating
- Identify and analyse sites in your supply chain that need the most support to manage risk
- Gain a clear indication of the likelihood of risks occurring in your supply chain.

<table>
<thead>
<tr>
<th>Supplier</th>
<th>Country</th>
<th>Business Ethics</th>
<th>Environment</th>
<th>Health &amp; Safety</th>
<th>Labour</th>
<th>Profile</th>
<th>Combined Risk Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site A</td>
<td>United Kingdom</td>
<td>6</td>
<td>10</td>
<td>8.42</td>
<td>9.22</td>
<td>10</td>
<td>5.99</td>
</tr>
<tr>
<td>Site B</td>
<td>South Africa</td>
<td>3.33</td>
<td>5.33</td>
<td>2.16</td>
<td>2.92</td>
<td>3.59</td>
<td>2.75</td>
</tr>
<tr>
<td>Site C</td>
<td>Spain</td>
<td>1.33</td>
<td>8.67</td>
<td>4.16</td>
<td>1.31</td>
<td>2.1</td>
<td>2.41</td>
</tr>
<tr>
<td>Site D</td>
<td>China</td>
<td>6</td>
<td>0.71</td>
<td>1.99</td>
<td>1</td>
<td>0.21</td>
<td>3.8</td>
</tr>
</tbody>
</table>
Forced Labour Indicator Report

- Detailed, site-specific reports for day-to-day supply chain management
- High-level overview of the likelihood of forced labour present in your supply chain
- Enables you to benchmark the performance of your sites by country

<table>
<thead>
<tr>
<th>Site name</th>
<th>Definite</th>
<th>Strong</th>
<th>Possible</th>
<th>Total of all indicators</th>
<th>Forced labour score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Site 1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2 4 4</td>
<td>12 6.9</td>
</tr>
<tr>
<td>Site 2</td>
<td>0</td>
<td>0</td>
<td>1 1</td>
<td>2 0</td>
<td>4 0.87</td>
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<tr>
<td>Site 3</td>
<td>0 1</td>
<td>0</td>
<td>3 1</td>
<td>6</td>
<td>6 3.83</td>
</tr>
<tr>
<td>Site 4</td>
<td>0</td>
<td>0</td>
<td>0 1</td>
<td>1 4</td>
<td>6 1.13</td>
</tr>
</tbody>
</table>
Sedex e-Learning – provide tools for members’ continuous improvement
Sedex Member Directory

- Our ethical sourcing networking tool
- Members can connect with other members
- Improves responsible sourcing collaboration
Benefits for our Members

- Collect and share supply chain data
- Reduce duplication and save time and resources
- Meet legislation requirements
- Make better informed business decisions
- Improve communication and engagement with suppliers
- Store all your data in one place
- Map and understand your suppliers
- Gain visibility to understand and manage risk
- Implement measures to protect people, the environment and business
- Drive responsible sourcing improvements globally

Managing an ethical supply chain

Sedex global.com
Membership Fees

How much does Supplier Membership cost?

The annual membership fee for Supplier (B) members is £100.00 per site per year (VAT is chargeable to UK companies only), or 1200RMB in China if you pay the Sedex China office by BACS.

How much does Buyer Membership cost?

For Buyer (A) and Buyer/Supplier (AB) members there are two parts to the membership fee:

- a one-off set up cost
- an annual subscription fee

Both of these are determined by annual sales turnover. The set up cost includes training and account management time to help you get the most from your Sedex membership.
Thank you

For more information contact:

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+44 (0)203 897 7630
SLCP features for brands on FFC
Keeping brands updated about SLCP facilities and SLCP assessment progress

- In FFC, brands create factory logins for the facilities in their supply chain that will be conducting SLCP assessments. When facilities come to us directly FFC admins create logins for them. In either case, FFC access for SLCP is provided at no cost to facilities and verifiers.
- In Factory Information, brands can easily see if a facility has:
  - Registered in FFC as a SLCP facility
  - Completed a verified SLCP assessment
  - An SLCP assessment in progress, and at what stage

<table>
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<th>SLCP Assessment Status</th>
<th></th>
</tr>
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<tbody>
<tr>
<td>Factory has registered in FFC as an SLCP Facility</td>
<td>Yes</td>
</tr>
<tr>
<td>Verified SLCP Assessment(s)</td>
<td>No</td>
</tr>
<tr>
<td>Factory has an SLCP assessment in progress</td>
<td>Yes -VRP</td>
</tr>
</tbody>
</table>

Brand SLCP Enhancements
Keeping brands updated about SLCP facilities and SLCP assessment progress

- From Factory Information, using a link, brands can ask a facility to share their SLCP assessment.
- Brands receive an email when a facility has shared an assessment with them. This is for assessments completed on the FFC and/or were shared with the FFC from another AH platform.

### SLCP Assessment Status:

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<tr>
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<tr>
<td>Verified SLCP Assessment(s)</td>
<td>Yes</td>
</tr>
<tr>
<td>Factory has an SLCP assessment in progress</td>
<td>Yes -ASI</td>
</tr>
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Keeping brands updated about SLCP facilities and SLCP assessment progress

• Brands can search for facilities using SLCP Project ID or SLCP Facility ID or SLCP Assessment Status.
• Brands can see all the facilities in the system that are in-progress with SLCP assessments and view their statuses.
• Brands can easily identify facilities with completed SLCP assessments (VRF) that can be shared.
SLCP verified assessments, brand code of conduct translation and ratings

- The SLCP CAF is code agnostic by design.
  - Facility responses are verified as accurate or inaccurate.
  - Verifiers provide correct responses for inaccurate facility responses.
  - Finalized verified data (VRF) are considered reliable.
  - Verifiers do not evaluate facility responses as correct or incorrect in relation to any code of conduct.

- Brand risk is reduced when producer facilities conform with brand codes of conduct (CoC).
- Translating verified SLCP assessment results for conformance with codes of conduct, so SLCP data integrate well with brand monitoring programs, is a job of accredited hosts.
- It is also up to accredited hosts to assist brands by applying any rating systems they need.
SLCP verified assessments, brand code of conduct translation and ratings (cont.)

FFC provides methods for brands to obtain CoC translations and ratings.

- Translation methods compare verified SLCP assessment responses to “correct” responses provided by brands, according to their company codes of conduct (CoC).
- By automatic processing of SLCP assessments, question-by-question differences create sets of findings, non-compliances, or CAPs.
- Translation methods differ in how the findings are reported and by the format provided to brands for remediation or corrective actions.
SLCP verified assessments, brand code of conduct translation and ratings (cont.)

Translation Methods:
• **Method 1**: Express non-compliances as questions in the SLCP CAF.
• **Method 2**: Express non-compliances as questions mapped to a brand’s social and labor assessment tool.
• **Hybrid Method**: Dynamic switching views of non-compliances between Method 1 and Method 2
• **Benchmarks**: Express non-compliances according to industry benchmarks (recommended for collaboration using FFC’s Collaboration CAP or Collaboration Audit).
• **Method Extensions**: Optionally present correct responses and/or responses to selected non-remediation questions in automated findings.
SLCP verified assessments, brand code of conduct translation and ratings (cont.)

Method 1

Method 2

Brand SLCP Enhancements
SLCP verified assessments, brand code of conduct translation and ratings (cont.)

Brand assessment ratings

- FFC brand members are free to configure their monitoring programs as they need.
- FFC brand members apply their own codes of conduct (CoC) to facilities.
- FFC brand members apply their own rating systems to facilities.
- Rating methods and rating information is private to each brand and is not shared between brands. This is consistent with antitrust.
Brand SLCP assessment ratings

- FFC applies brand ratings or scoring to SLCP translated CAPs and findings.
- Each rating system is unique to each brand, FFC provides these as custom developments.
- Ratings are applied at processing time.
- Brands can update facility scores and/or ratings in the same way they do in their non-SLCP CoC questionnaires.

- Using FFC’s SLCP question translation and by applying their established rating methods brands can smoothly integrate SLCP assessments into their ongoing facility monitoring programs.
FFC Reporting of SLCP Information

- SLCP shared assessment information is available to brands in FFC’s User Configured Reports (UCR).
- All code of conduct translations (CoC) are in FFC assessment format so they are also available in UCR.
- A standard report is available to all SLCP signatory brands that shows:
  - Facilities that have an SLCP assessment completed or in process
  - Facilities that have shared their assessment with the brand
  - Statuses of all SLCP assessments
  - FFC factory status for the brand
  - This report has filters for sorting and is exportable to Excel.
- SLCP shared assessment data are available to FFC member brands via JSON api.
If you are interested in hearing about all the features of FFC or just the SLCP features – send an email to us at information@fairfactories.org

If you are already using FFC as your SLCP AH platform and have any questions - send an email to us at SLCPsupport@fairfactories.org
Q&A

Opportunity for questions about SLCP in general
Want to find out more?

Please visit the SLCP Gateway for information about the SLCP assessment process and SLCP operations.

From the Gateway you can also find links to all of the Active and Passive Accredited Hosts.