Social and Labor Convergence Program

SLCP CAR/CAP Management Fee Model

Detailed Briefing

28 February, 2025

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Improving the Lives of Workers

CONTENTS

1 BACKGROUND AND CONTEXT

During the second half of 2024, after approval of the Data Quality & Integrity Technical Advisory Committee, SLCP and the VOO (Verification Oversight Organization) jointly began collaborating on a new fee-based model to manage the SLCP CAR (Corrective Action Request) and CAP (Corrective Action Plan) process.

The CAR/CAP management process encompasses all steps taken by the VOO to ensure that Verifier Bodies (VBs) appropriately address quality issues identified during various QA activities conducted by the VOO and SLCP. Specifically, the process includes issuing CARs (detailed summaries of the identified quality issues) to VBs, analyzing CAPs (the measures VBs plan to implement to address these issues), and engaging in several rounds of communication with VBs throughout the process.

An in-depth analysis of the 2023 DQI budget revealed that 19% of the annual budget was allocated to complaint management, which included primarily the management of the CAR/CAP process and the Addenda process (post-VRF edits due to quality issues).

These findings were pivotal in preparing the DQI budget for 2024. As a result, SLCP proposed removing the Addenda process and developing a fee for CAR/CAP management. The primary motivation behind these changes was to allocate more of the budget to data monitoring and investigations by reallocating funds previously dedicated to complaint management.

Another significant challenge was the recurring nature of quality issues—VBs were not demonstrating meaningful improvement over time, with the same systemic issues arising repeatedly.

To address both budgetary and quality-related challenges, SLCP presented two proposals to the Data Quality & Integrity Technical Advisory Committee (TAC) during the October 2023 meeting:

1. The elimination of the Addenda process.

2. The introduction of "quality failure fees," also internally known as CAR/CAP fees.

Both proposals were approved by the TAC in December 2023 and subsequently by the SLCP Senior Management Team. As of CAF v.1.6, the Addenda process has been discontinued. On 31 March 2025, we will roll out the CAR/CAP fee model.

All the details about the new fee-based SLCP CAR/CAP model are presented in the detailed briefing below.

2 EXECUTIVE SUMMARY

The goal of this briefing is to present the key elements of the new SLCP CAR/CAP fee structure and management process, which will come into effect on March 31st, 2025.

The new SLCP CAR/CAP fee structure and management process aim to increase the accountability of Verifier Bodies (VBs) for quality issues identified through various QA activities, which may lead to a Corrective Action Request (CAR). This structure has been developed based on a range of data points to ensure that the process is both effective and fair for all stakeholders. The CAR/CAP management system will continue to hold VBs accountable while positively influencing the overall quality of SLCP verifications.

Key elements of the new model are as follows:

1. VBs will manage CAR/CAP through a new CAP portal (see section 3.3.1).

2. CARs issued to VBs will be categorized by "Key Quality Issue Categories" (see section 4.2).

3. CARs will be divided into four different types: Initial CAR, Interim Alert, Repeat CAR, and Double Repeat CAR (see section 4.3). These classifications depend on the frequency of the same "Key Quality Issue Category" occurring.

4. Initial CAR, Repeat CAR, and Double Repeat CARs are each associated with different fees (see section 5).

The process for identifying quality issues, issuing CARs and charging the fee follows the steps below:

1. Quality issues can be identified through different **sources**, for example: brand complaints, NGO and/or APSCA-led investigations, SLCP's analytics models on data stored on the Gateway, Confidential Sensitive Information Reports, onsite activities).
2. When a verified report (hereinafter "VRF report") is flagged due to quality failures, VOO/SLCP will conduct a desktop review of the VRF report and identify all Quality Issues related to that verified report (VRF).
3. All quality issues are categorized based on the "**Key Quality Issue Category**" (KQIC) List (see section 4.2) which is a summary of common quality issues VOO and SLCP have found from the review of thousands of Verifications.
4. When there are multiple Key Quality Issue Categories identified through a single source (ex: Desktop Review), each **KQIC will be addressed in an individual CAR** (e.g., 12 different key quality issues will result in 12 CARs). One source can also be associated with multiple VRF reports and multiple CARs (one CAR per KQIC). **But still only one fee will be charged for that one source.** So, for one Desktop Review with 12 KQIC and 12 CARs only one fee will be charged.
5. When a **Key Quality Issue Category is identified for the first time, an Initial CAR will be issued** to the VB and the VB will complete the CAP process to address the root cause of the identified issue.
6. If that **same Key Quality Issue Category is found in a subsequent verification** done by that VB, the **VOO will issue either an Interim Alert, Repeat CAR, or Double repeat CAR**. Based on the Initial CAR issuance date, after 12 months, Initial CARs will no longer be eligible to incur repeat or double repeat CARs.
7. **When multiple CARs** are generated from the same source, the **VB will only be charged one fee that is determined by the most severe CAR type identified from that source**.
8. When a CAR is issued, the VOO notifies the SLCP Finance Manager, who will then issue an invoice to the VB for the related amount. The VB will have 30 days to pay the invoice.

3 GENERAL CONSIDERATIONS

3.1 PURPOSE OF CAR FEE AND MANAGEMENT MODEL UPDATES.

The implementation of CAR fees is a strategic initiative to improve the accountability of Verifier Body performance and improve the overall data quality throughout SLCP Verifiers and VBs.

The new model specifically uses a fee structure to highlight the severity of repeat quality issues and drive improvement in report quality on future verifications. The CAR management process will also impact the updated VB scoring model with the introduction of Repeat and Double Repeat CARs which will have a greater impact on the overall VB score and consequently affect the future VB selection model (later in 2025) based on VB quality when this data is published in an aggregated manner.

3.2   CURRENT CAR/CAP PROCESS

Presently, CARs can be generated through multiple sources, such as outcomes of desktop reviews (partial and full) based on a) complaints on VRF reports (VRF status) submitted by SLCP report recipients, b) flagged reports identified through SLCP analytics models, c) Confidential Sensitive Information Reports, d) APSCA investigations, e) NGO and/or other third party-led investigations, f) outcomes of on-site QA activities (Counter, Duplicate and Shadow Verifications), and g) outcomes of other QA methods.

When the VOO issues a CAR based on an identified deviation from the Protocol, which is considered a "quality issue", the VB is notified and has a specified timeframe to provide a Corrective Action Plan (CAP).

Upon submission from the VB, the VOO reviews the CAP and requests edits if needed. Once the CAP is considered acceptable, the CAP is approved and then monitored for implementation.

The new CAR model follows a similar workflow and timeline for CAP submission and processing but incorporates more distinction at the CAR level by creating different types of CARs that can be issued.

3.3   CAP WORKFLOW UPDATES

The current Corrective Action Plan submission, approval, and implementation process is managed through a combination of helpdesk tickets and emails exchanged between the VOO and Verifier Body. To streamline this communication process and as a resource to VBs, the VOO has developed a CAP Portal that VBs can access to manage their CAPs. The CAP Portal will be implemented in conjunction with the CAR fee model.

3.3.1   New VB Administrators CAP Portal

In 2024, the VOO developed a CAP Portal for VBs to create a more efficient submission and communication process for CAP management. The VOO anticipates this change to make the CAP process more streamlined for both VBs and the VOO. The VB Administrators CAP Portal development was completed in 2024, and preparation for implementation and launch will be completed in Q1 2025.

The VB Administrators CAP Portal provides VBs with a limited access view of their CAP records and enables VBs to directly enter their CAP details as well as upload their evidence attachments directly into the VOO database. When the VOO issues a Corrective Action Request (CAR) to a Verifier Body (VB), the VB must develop and submit a Corrective Action Plan (CAP) within 14 days that will address and remediate the gaps. The CAP includes eight fields: Containment Action (if needed), Root Cause Analysis Method, Root Cause Analysis Findings, Action Plan, Timeframes, Responsible Person(s), Criteria for Measuring Success, and Current Status. The CAP is reviewed by the VOO and if the CAP is not approved by the VOO, the VB must develop an improved CAP. This process can have multiple rounds of communication before the final CAP is approved by the VOO.

The Portal enables VBs to directly communicate with the VOO in the CAP record, eliminating the need for these conversations via email or helpdesk ticket. VBs can log into the VB CAP Portal and see all CAPs associated with their VB, and filter by Approved, Unapproved, Open, Closed, etc. In the VOO database view of the CAP records a

full revision history of each CAP is captured for reference. The portal allows the VB to enter updates to their CAP and any additional comments, submit and notify the VOO so that it can be reviewed, and once the CAP is approved by the VOO it is locked from editing by the VB. Detailed instructions will be provided to VBs on how the portal functions both in their CAR email and within the portal as a reminder.

4   NEW CAR/CAP FEE PROCESS MANAGEMENT MODEL

4.1   QUALITY ISSUE IDENTIFICATION AND CARS ISSUANCE

In the new model, CARs can still be generated through multiple sources, such as outcomes of desktop reviews (partial and full) based on a) complaints on VRF reports (VRF status) submitted by SLCP report recipients, b) flagged reports identified through SLCP analytics models, c) Confidential Sensitive Information Reports, d) APSCA investigations, e) NGO and/or other third party-led investigations, f) outcomes of on-site QA activities (Counter, Duplicate and Shadow Verifications), and g) outcomes of other QA methods.

Instead of treating all CARs the same, the new model classifies the CARs based on the recurrence of the quality issues identified and differentiates among four different types of CARs: Initial CAR, Interim Alert, Repeat CAR, and Double Repeat CAR.

Initial CARs are always issued whenever specific quality issues are identified for the **first time**. One CAR per quality issue.

Interim Alerts account for quality issues that are found while the VB is actively addressing the same quality issue in a current CAP. For example, if a Key Quality Issue Category is identified while the VB is working on addressing an existing CAP in the same category, the VB will be notified of the issue via an Interim Alert that accounts for the recurrence of the identified issue. Interim Alerts will have an impact on the scoring model and will be set at a fee of $0 at start of the fee-based model on March 31, 2025.

Repeat and Double Repeat CARs account for the same quality issues identified over time. More on CAR types can be found in section 4.3.)

All quality issues identified in the Desktop Review will be categorized based on the "Key Quality Issue Categories List" (KQIC) in 4.2 and will be considered individually.

This means that each KQIC identified will generate an individual CAR. Depending on the VBs history of Quality Issues, the issues will be logged and identified as one of the four CAR types: Initial CAR, Interim Alert, Repeat CAR, Double Repeat CAR.

The VB will be notified of the CAR or Alert type and is responsible for completing the fee payment associated with the CAR type and must address the CAR or Alert accordingly.

When multiple CARs are generated from the same source, the VB will only be charged one fee that is determined by the most severe CAR type identified from that source.

When a quality issue is reported from a source, the VOO will conduct a Desktop Review of the associated VRF report(s). One source can be associated with multiple VRF reports and multiple CARs (one CAR per KQIC) but still only one fee for that one source.

Example scenarios: 1) In an instance of a complaint from a brand on a VRF report data issue, it would be one source and one VRF report that receives a desktop review. 2) In an instance of a NGO report talking about country-specific issues, SLCP/VOO may decide to review multiple reports associated with that one source and if the same VB completed multiple reports, the CAR or CARs would be associated with one source but multiple reports.

The scope of CARs that will follow the new model and will be subject to a fee will be limited per the following timeframe:

- o CARs issued on or after March 31, 2025 that are related to VRF reports from January 1, 2024 onwards are subject to a fee and will impact VB scoring.

CARs issued on or after March 31, 2025 that are related to VRF reports completed prior to January 1, 2024 will not be subject to a fee but an Interim Alert will be issued which will still impact the VB score.

CARs issued prior to March 31, 2025 will not be subject to a fee but will still impact VB scoring.

4.2 KEY QUALITY ISSUE CATEGORY LIST

The Key Quality Issue Category List includes the 20 main quality issues that VOO has identified over the years while reviewing SLCP VRF reports. SLCP is already working with Active Accredited Hosts and technology (VRQ checks – automated quality checks on each report) to catch Verifier mistakes before the report is finalized - thus helping VB report quality management. It is still the VB's responsibility to prevent these mistakes in the first place and catch mistakes that technology cannot yet detect by conducting thorough report review before the verification is completed.

The occurrence of any of the quality issues listed below in SLCP VRF reports compromises the reliability of the verified data and negatively affects SLCP adoption and especially brand confidence in SLCP credibility.

1. Incorrect Assessor/Verifier Selection
2. Incorrect Assessor/Verifier Response
3. Incorrect Legal Flags/ Legal Non-compliances
4. Verifier Misunderstanding or Misinterpretation of Question
5. Inconsistency with Response
6. Insufficient and/or missing Assessor/Verifier Explanation
7. Insufficient and/or missing Legal Reference
8. Insufficient and/or missing Legal Flags/ Legal Non-compliances
9. Insufficient and/or missing Confidential Sensitive Information Report
10. Mistakes identified through VRQ checks (automated quality check on each report) not fixed
11. Repeat Verifier Violation (Verifier sequentially at same facility without exception approval)
12. Person Day Requirements
    a. Minimum Requirement not met
    b. Exceeded allowed person days and/or more than one Verifier not sent without exception approval
13. Failure to upload attachments or relevant information to report
    a. Verification plan

b. No evidence for non-compliances
14. Insufficient Facility Background Check
15. Management Systems and/or Ethics/Integrity Issues
16. Any errors identified in the "Highly Relevant Keys" (195 for CAF v1.6/ 179 for CAF v1.7)
17. Any errors covered in General Calibration webinar content
18. Any errors covered in Regional Calibration webinar content
19. Any errors covered in SLCP/VOO published technical bulletins
20. Other quality issues based on Verification Protocol, Verifier Guidance and VB Requirements (at the discretion of SLCP/VOO)

PLEASE NOTE: The above list should serve as guidance for VB Quality Managers and Quality Reviewers when conducting an internal review of the VRF report. By using this list, they should be able to identify all quality issues in the report and ensure Verifiers can make necessary edits before finalizing it. If used effectively, the Key Quality Issue Category List (KQICL) will help reduce Corrective Action Requests (CARs) being issued, thereby minimizing additional fees associated with them.

4.3 TYPES OF CARS AND DEFINITION

As already mentioned above, there will be 4 different types of CARs in the new SLCP CAR/CAP fee model and management process.

By classifying the types of CARs, SLCP and the VOO will be able to distinguish quality trends, establish distinction within the CAR levels, and establish a more consistent VB scoring model.

By tracking when and what Key Quality Issue Category is repeated, SLCP and the VOO can better identify the areas that are showing consistent Protocol or Guidance deviation to highlight the topics for VB calibrations and trainings. VBs will also be able to use Repeat and Double Repeat Quality Issue Categories to target their internal training to address specific Key Quality Issue Categories to prevent future CARs. The types of issues will have varying impact on the VB scoring model to reflect the severity of recurring Key Quality Issue Categories.

All CARs will be identified based on the Key Quality Issue Categories List. When the same Key Quality Issue Category is identified multiple times, Interim Alerts, Repeat CARs and Double Repeat CARs will be applied.

In this model 'Double Repeat' describes when the same Key Quality Issue Category is found for a 3rd or more time. After an Initial and Repeat CAR has been issued to the VB, any additional occurrence of the same Key Quality Issue Category will result in a Double Repeat CAR.

Table 1- CAR types and description

CAR types	Description
Initial CAR	The first instance a Key Quality Issue Category (KQIC) is found.
Interim Alert	Used when the same KQIC is found while a CAR is still **within the CAP implementation window (see table 2 for details).**
Repeat CAR	Issued when the same KQIC is identified **after the 70-day implementation window of an Initial CAR** and within the 12-month active period of the Initial CAR.

Double Repeat CAR	Issued when the same KQIC is found after the Repeat CAR and **during the 12-month active period**. Double Repeat CARs can be issued multiple times within the 12-month active period.

4.3.1 Initial CAR

When the first instance of a Key Quality Issue Category is found, an Initial CAR is issued. Initial CARs will be retained for 12 months and be subject to subsequent Alert and Repeat and Double Repeat CARs. After 12 months the Initial CAR will roll off and no longer be subject to subsequent CARs or an Interim Alert.

Each Initial CAR will be granted a 70-day CAP implementation window to allow the VB to address the root cause of the Key Quality Issue Category. During this 70-day CAP implementation window, the VOO will issue Interim Alerts to notify the VB if/when the same Key Quality Issue Category is identified.

The CAP implementation window ends on day 70 and from day 71 onwards the identification of the same Key Quality Issue Category will result in a subsequent CAR (Repeat).

> Example scenario: In May of 2025, VOO finds an instance of '*Verifier Misunderstanding or Misinterpretation of Question*' in PRJ123456 and an initial CAR is issued on May 31,2025 to the VB because this is the first time this Key Quality Issue Category is identified in a verification done by this VB. This Initial CAR will be active for 12 months from the date it was issued to the VB (May 31, 2025-May 30, 2026).

> Any additional instances of '*Verifier Misunderstanding or Misinterpretation of Question'* for a verification done by this VB in the 12-month period and identified by SLCP/VOO, will be connected to this Initial CAR and will result in an Interim Alert, Repeat CAR, or Double Repeat CAR.

> After the 12-month period the Initial CAR and any Alerts or CARs **will be archived**. If there is a new instance of '*Verifier Misunderstanding or Misinterpretation of Question'* identified after the first Initial CAR is archived (after 12 months), in July of 2026 for example, then the process will restart with a new Initial CAR being issued, and new 12-month period will start.

4.3.2 Interim Alert and CAP Implementation Window

Interim Alerts are issued when the preceding CAR for the same Key Quality Issue Category is in the CAP implementation window. The CAP implementation window will vary based on the CAR type.

A CAP implementation window refers to the **provided timeframe within which the VB addresses the issues identified through CARs**. If the same Key Quality Issue Category is found after the CAP Implementation window, the next sequential CAR will apply. CAP Implementation window timelines are based on the related CAR issuance date and are measured in calendar days.

Table 2: CAR types and CAP implementation window

CAR types	CAP implementation window
Initial CAR	70-day CAP implementation window
Repeat CAR	30-day CAP implementation window
Double Repeat CAR	15-day CAP implementation window

Example scenario: On June 30, 2025, a VB is issued an Initial CAR for Incorrect Assessor/Verifier Selection. In this case the implementation window will span from June 30, 2025-September 7, 2025 (= 70 day-CAP implementation window).

Any Incorrect Assessor/Verifier Selection identified by the VOO in a different VRF report that was completed before September 8, 2025, will receive an **Interim Alert.**

VOO will use an Interim Alert to notify the VB of the second occurrence of the Incorrect Assessor/Verifier Selection, the VB scoring will be affected, a fee currently set at $0 will be charged to the VB, and no CAP will be required since the same Key Quality Issue Category is already being addressed in the CAP related to the Initial CAR.

If the same KQIC is identified on or after September 8, 2025 (71 days or more after the Initial CAR), on a VRF report dated on or after September 8, 2025, then a Repeat CAR will be issued, and the VB will have a 30-day CAP implementation window. If the same KQIC is identified within 30 days of the Repeat CAR, then an Interim Alert will be used to notify the VB. If the same KQIC is identified on or after 31 days from the Repeat CAR issuance date, on a VRF report dated on or after 31 days from the Repeat CAR issuance date, then a Double Repeat CAR will be issued to the VB.

The Double Repeat CAR will then start a 15-day CAP implementation window where the same KQIC identified within 15-days will be another Interim Alert. If the same KQIC is identified on or after 16 days from the Double Repeat CAR issuance date, on a VRF report dated on or after 16 days from the Double Repeat CAR issuance date, then another Double Repeat CAR will be issued to the VB.

This process can continue for 12 months while the Initial CAR for the KQIC is valid. In our example from June 30, 2025-June 29, 2026. After 12 months (on June 29, 2026), the Initial CAR will be archived and that specific KQIC will be eligible to restart the Initial/Repeat/Double Repeat CAR sequence with the same Interim Alert rules and timelines.

4.3.3   Repeat CAR

When the same Key Quality Issue Category is identified from a previous Initial CAR for the same Key Quality Issue Category, is beyond the 70-day Initial CAR implementation window, and the VRF date is after the 70-day Initial CAR implementation window, the VOO will issue a Repeat CAR.

Repeat CARs will only be issued if the related Initial CAR is within the 12-month active period.

Each Repeat CAR will be granted a 30-day CAP implementation window to allow the VB to address the root cause of the Key Quality Issue Category without penalty of generating more severe subsequent CARs while the

Issue is being addressed. During the 30-day CAP implementation window, Interim Alerts will be used to monitor and notify the VB if/when the same Key Quality Issue Category is identified. The CAP implementation window ends on day 30 and from day 31 onwards the identification of the same Key Quality Issue Category on VRF reports dated from day 31 onwards will result in a subsequent CAR (Double Repeat).

> Example scenario: On June 30, 2025, a VB is issued an Initial CAR for 'Incorrect Assessor/Verifier Selection'. Any VRF report dated September 8, 2025, or later by the same VB with the same Key Quality Issue Category, 'Incorrect Assessor/Verifier Selection', will result in a Repeat CAR. The VB scoring will be affected, a Repeat CAR fee will be charged to the VB, and a CAP will be required.

4.3.4 Double Repeat CAR

When the same Key Quality Issue Category has already been identified in an Initial CAR and Repeat CAR and the same KQIC is identified on or after the 31-day implementation window of the Repeat CAR on a VRF report that is on or after the 31-day implementation window, a Double Repeat CAR will be issued. Double Repeat CARs will only be issued if the related Initial CAR is within the 12-month Active period.

Each Double Repeat CAR will be granted a 15-day CAP implementation window to allow the VB to address the root cause of the Key Quality Issue Category without penalty of generating more severe subsequent CARs while the issue is being addressed. During the 15-day CAP implementation window Interim Alerts will be used to monitor and notify the VB if/when the same Key Quality Issue Category is identified. The CAP Implementation window ends on day 15 and from day 16 onwards the identification of the same Key Quality Issue Category on a VRF dated on or after the 16 days will result in a subsequent CAR (another Double Repeat). After a Key Quality Issue Category is associated with a Repeat CAR, Double Repeat CARs will be used to address every additional occurrence of that Key Quality Issue Category, whether it is the 3rd, 5th, 10th time, the same Key Quality Issue Category is identified.

5 FEE STRUCTURE

The following CAR Fee structure is designed as a scale that accounts for the varying complexity of the CAR and the level and frequency of VOO support that is needed to close out the CAPs. The final fee structure is based on the average administrative costs associated with reviewing quality issues, processing a CAR, and reviewing and monitoring the subsequent CAP. The below is based on 2023 and 2024 activities associated with CAR/CAP management.

- Desktop Review of Quality Issue Source: for example, complaint/investigation/onsite or offsite QA (1-1.5 hours)
- CAR Issuance Cost: (0.5-1-hour)
- CAP Review/Management Cost: (3-4+ hours - note this step involves multiple rounds of reviews)
- CAP Management Support: (2 hours for back-and-forth communications)
- Total range: 6-9 hours

The CAR fee scale below was adjusted to account for the different workflows and processing times associated with the different types of CARs and accounts for when multiple CARs are generated from a single source. VBs will be charged one CAR fee per source and the CAR fee will be determined by the most severe CAR type identified from that source.

Example scenarios: If a Desktop Review (source) identifies 5 Key Quality Issue Categories (KQIC) VOO will generate 5 CARs. If two of the KQIC results in an Initial CAR, one KQIC results in an Interim Alert, one KQIC results in a Repeat CAR and one KQIC results in a Double Repeat CAR then the VB will only be charged for the most severe CAR, in this example one Double Repeat CAR. With this approach the VB is charged one CAR fee ($965) instead of 5 CAR fee's (2 x $765 + 1x $0 + 1x $865 + 1x $965 = $3,360).

If a Desktop Review (source) identifies 5 Key Quality Issue Categories (KQIC) VOO will generate 5 CARs. If all 5 CARs are an Initial CAR, VB will only be charged for the most severe CAR, in this example one Initial CAR at $765.

- All VBs will be charged on the same fee scale:
    o Initial CAR fee - $765
    o Interim Alert- $0
    o Repeat - $865
    o Double Repeat - $965

SLCP reserves the right to revisit the fee structure and change the fees at any time. SLCP will periodically review the administrative level of activity associated with CAR/CAP management, fee structure and fees to ensure fairness.
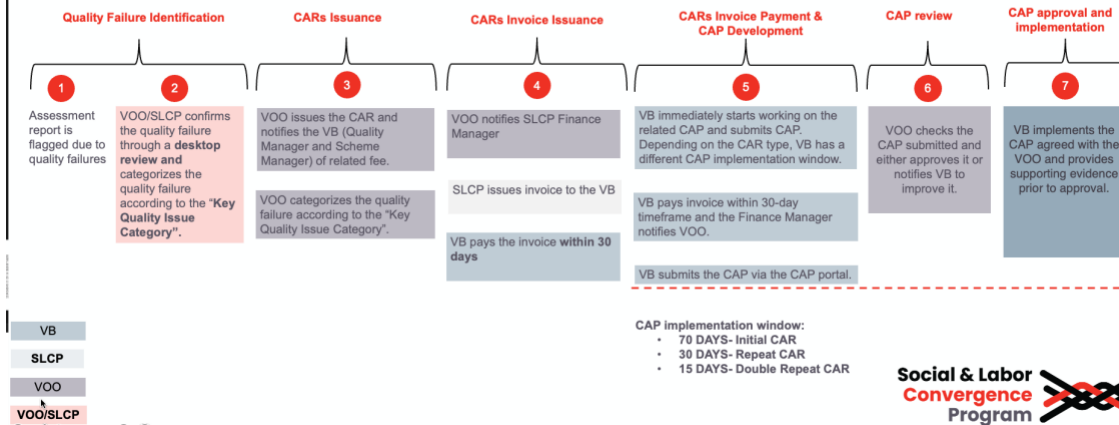
6   CAR/CAP FEES BILLING PROCESS

For more information on the CAR fee billing process please see the outlined steps and the flow chart below. The key points of the billing process are to ensure the VB is staying up to date on all SLCP invoicing and the VB creates an appropriate internal system to coordinate the fees across various countries of operation.

How does the CAR/CAP billing process work?

- VOO sends notification about CAR issuance to the VB SLCP Scheme Manager and Quality Manager.
- VOO sends notification about CAR issuance to SLCP Finance Manager.
- SLCP Finance Manager issues an invoice to the VB. The invoice will be issued on a daily basis (business days) and will be processed in accordance with your current invoicing system for other SLCP fees. To coordinate the invoicing of regional offices please reach out to the SLCP team.
- The VB has 30 days to pay the invoice BUT VBs should start working on the CAP as soon as they receive the CAR notification from the VOO because they have 70 (30 or 15) days (depending on CAR type) to develop a CAP, submit it to VOO for review and implement it ("CAR to CAP conversion").
  The submission of CAP will be managed in a newly developed platform: the CAP portal. More information on the CAP portal can be found in section 3.3.1 of this document. Detailed instructions will be provided to VBs on how the portal functions both in their CAR email and within the portal as a reminder.

New CAR/CAP Management Process

CAP implementation window refers to the timeframe given to the VB to work on the CAP development and implementation. It varies depending on CAR type. The CAP is ideally written, reviewed and approved within the Initial CAR 70-day CAP implementation window. But depending on how many times the CAP is returned for revision to the VB this may not happen. Also, for the 30-day and 15-day CAP implementation windows, VOO approval of the CAP may not occur within the implementation windows.

Quality Failure Identification | **CARs Issuance** | **CARs Invoice Issuance** | **CARs Invoice Payment & CAP Development** | **CAP review** | **CAP approval and implementation**

1 Assessment report is flagged due to quality failures

2 VOO/SLCP confirms the quality failure through a **desktop review and** categorizes the quality failure according to the "**Key Quality Issue Category".**

3 VOO issues the CAR and notifies the VB (Quality Manager and Scheme Manager) of related fee.

VOO categorizes the quality failure according to the "Key Quality Issue Category".

4 VOO notifies SLCP Finance Manager

SLCP issues invoice to the VB

VB pays the invoice **within 30 days**

5 VB immediately starts working on the related CAP and submits CAP. Depending on the CAR type, VB has a different CAP implementation window.

VB pays invoice within 30-day timeframe and the Finance Manager notifies VOO.

VB submits the CAP via the CAP portal.

6 VOO checks the CAP submitted and either approves it or notifies VB to improve it.

7 VB implements the CAP agreed with the VOO and provides supporting evidence prior to approval.

VB
SLCP
VOO
VOO/SLCP

CAP implementation window:
- 70 DAYS- Initial CAR
- 30 DAYS- Repeat CAR
- 15 DAYS- Double Repeat CAR

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