

What is the Social & Labor Convergence Program (SLCP)?

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

VISION:

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

MISSION:

To implement a **converged assessment framework** that supports stakeholders' efforts to improve working conditions in global supply chains.

SLCP Signatories – 208

November 2019

Manufacturers (41): Artistic Milliners, Arvind Mills, Avery Dennison Corp, Ciel Textile, Chenfeng Group Co., Classic Fashion, Comfit Composite Ltd, Crystal Group, DBL Group, Décor Co Ltd, Delta Galil, Esquel Group, Hanbo Enterprises Holdings Ltd, Hansae, Hirdaramani Ent., Hop Lun, ISKO, L&E Int. Ltd., MAS Holdings, Milteks Group, Nester Hosiery, Nien Hsing Textiles, Piece&Co, Pratihba Syntex Ltd, Ramatex Group, Shahi Exports, SaiTex, Sing Lun Global, SixSigma Apparel Network, SLN Tekstil, Soorty Enterprises, Sun Queen Garments, TAL Apparel Group, Thread International, W. L. Gore & Associates, VogueTex, World Knits Ltd, Yesim, Yousstex, Youngone, Yunus Textile Mills

Brands/Retailers (53): adidas Group, Aldo, Amer Sports (Arc'teryx & Peak Performance), Ann Inc, Arena, Asics Corporation, Bestseller A/S, Brooks Sports, C&A, Camelbak, Columbia Sportswear Co (PrAna Living LLC), De Bijenkorf, Deckers Brands, Ecco Holding, Eileen Fisher, Esprit, Fanatics, Fast Retailing/Uniqlo, Gap Inc, G-Star, H&M, INDIGENOUS, Inditex, KappAhl, Kathmandu, Kering, Komar Brands, Levi Strauss & Co, LL Bean Inc, Lojas Renner, Loomstate, lululemon, Macy's, Mountain Equipment Co-op (MEC), Mud Jeans, New Balance, Nike Inc, Outerknown, Patagonia Inc, Pentland Brands, Puma, PVH Corp, REI, SanMar Corp, Talbots, Target Corp, The Children's Place, Tory Burch, Vetta Brands, VF Corporation, Williams Sonoma Inc, Zalando SE, Zephyr Graf-X

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

Multi-stakeholder Initiatives/Standard Holders/Civil society (24): Cradle to Cradle Products Innovation Institute, Dutch Agreement for Sustainable Garments and Textile, Enviu, Ethical Trading Initiative Norway (IEH), Fair Factories Clearinghouse, Fairtrade Foundation, Fair Trade USA, Fair Working Conditions, Freedom Fund Global Fashion Agenda, Higg Co, IDH, MVO Nederland, New Earth, NBIM, Proudly Made in Africa, Responsible Sourcing Network, Sedex, Sustainable Apparel Coalition (SAC), Solidaridad, The Mekong Club, Verité, Worldwide Responsible Accredited Production (WRAP), Textile Exchange

Industry Association (12): Abvtex, AIM-Progress, American Apparel & Footwear Association (AAFA), EURATEX, European Outdoor Group (EOG), Istanbul Apparel Exporters' Association (iHKiB), International Apparel Federation (IAF), ITMF, JAAF, Leather Working Group, Outdoor Industry Association (OIA), Turkish Textile Employers Association (TTEA)

Auditing Firms/Service providers/Consultancies (71): Accordia Global Compliance Group Inc, ALGI, AndWider, ANM Transformational Solutions, API, ARCHE Advisors, AS International, Assent Compliance, Asya CC&C, Benchmarks Company Ltd, Best Compliance Ltd, Big Cove Consulting, BSI group, Bureau Veritas, Centre Testing International Group Co. Ltd, Control Union Certifications, CSER Solutions Ltd, CSR Solutions Ltd, CTC Groupe, DNVGL, EasyDone Social Compliance Consulting Institute, EcoVadis, ELEVATE, Extensive Standard Technical Services Co Ltd (ESTS), Flex, Footprints, FutureMade, GCL International Ltd, Globalgroup Certification Ltd, Hong Kong Quality Assurance Agency, Ilink Development Services, iMentor, Impact Ltd, Inspectorio Inc, International Associates Ltd, International Compliance Group, Intertek, Key of Sustainable Improvements Ltd, Koopman Works, Leverage Ltd, Madeown International Testing Certification Inc, Matrix Sourcing/Triple Tree Solutions, Micro Benefits, NEWAsia Solutions Ltd, Omega Compliance, Openview Services Ltd, Ozone Sustainability Management Systems (OSMS), Partner Africa, QIMA Ltd, Quizrr, Rina Services SpA, Sanrao Developmental Services, SCS Global Services, SCSA, SewEasy, SGS, SIM Supply Chain Information Management, SMT Global, Stantec, Sumerra, Sundar, Sustainable Management System Inc, Taos Network, Teks Tech Inspection India Pvt Ltd, The Sentio Advisory Group, TÜV Rheinland, TÜV SÜD, UL Responsible Sourcing, Ulula, URS Verification Private Ltd, Workplace Options

Intergovernmental organizations – observer status (3): ILO, OECD, Better Than Cash Alliance

Converged Assessment Framework

SLCP has developed & implementing a

Converged Assessment Framework (CAF)

consisting of:

- Data Collection Tool
- Verification Protocol
- Verifier Guidance

By implementing the CAF, SLCP aims to eliminate duplicative proprietary social audits and to free up resources that can be redirected to improving working conditions.

Social Audits: Why were they started?

1990s:

- Boom in apparel & footwear industries
- Increased globalization of supply chains
- “Sweatshop” scandals in media
- Rise in consumer consciousness
- Increase in CSR efforts & focus



Result: Proliferation of Social Compliance Tools

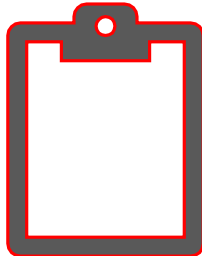
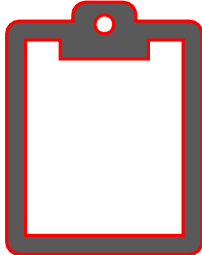
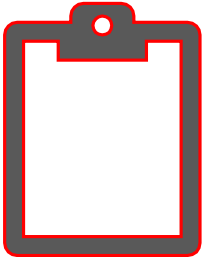
Audits

Protocols

Standards

Codes

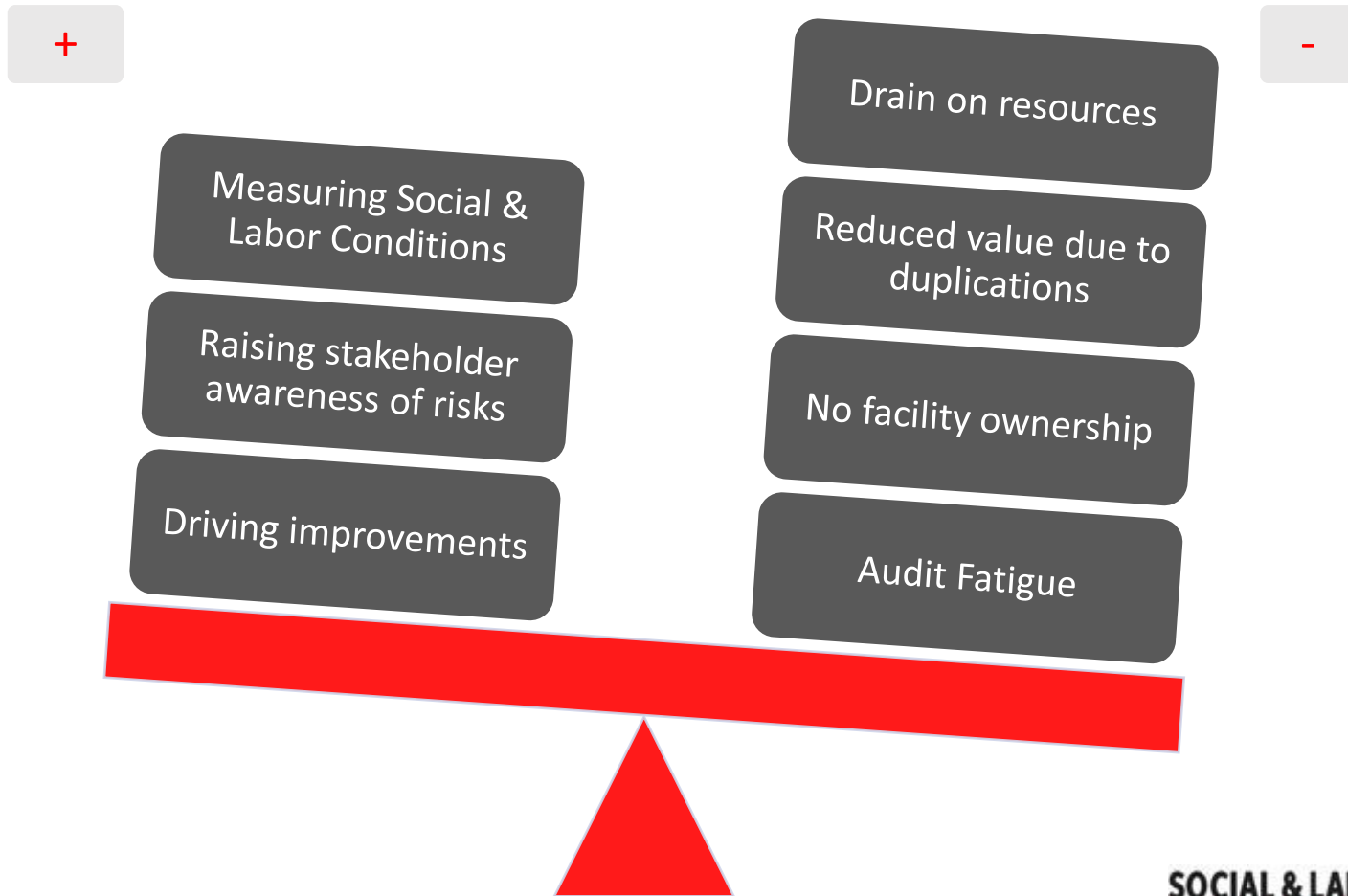
Approaches



Social Audits: Good Intentions



Social Audits: The Downside



The Reality of Audit Fatigue

Example: Manufacturer with 38 facilities:

	Audits Per Year	Auditor Days	Manufacturer Staff Days
Brand Audits	110	262	440
Certification Audits	55	116	220
Internal Audits	38	N/A	110

SLCP: The Beginning

18 brands & retailers; **4** manufacturers; **8** organizations/ non-profits; **3** audit firms

Public Statement – Amsterdam, 21st October 2015

We, signatories to this Statement, recognize that the proliferation of differing codes, audits, protocols and approaches are hampering the improvement of social and labor performance within global supply chains. We believe that there is both a need and an opportunity for collaboration. Our common goal is to drive opportunities for harmonization and convergence in social auditing, as a means to improve social performance in global supply chains. We call on others to join us.

Commitment to “the collective development of an industry-wide, standardized methodology for social and labor performance assessment.”

The Aim of Convergence

SLCP Goals:

- Eliminate duplicative social audits
- Unlock resource to be redirected
- Involve all key players in designing methodology
- Ensure manufacturer ownership of data

- Existing allocation of resources:

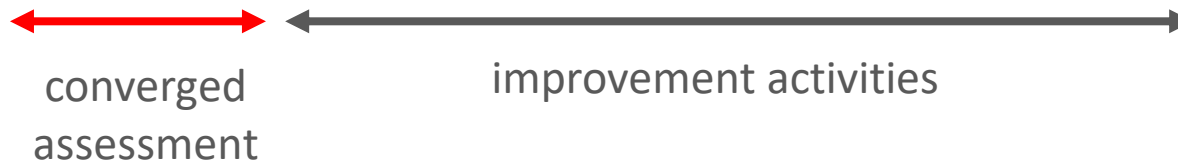


The Aim of Convergence


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- **SLCP vision for the future:**



SLCP Challenge 1



How could SLCP be sure to cover all of the key data points required by all the different stakeholders ?

SLCP Challenge 1



Solution: Comprehensive Tool

To ensure widespread applicability, SLCP compared audit questions from **21** different brands, audit firms and standards

Covered in SLCP Data Collection Tool

Verified data on labor topics such as:

- ✓ Age
- ✓ Working hours
- ✓ Wages
- ✓ Health & Safety
- ✓ Facility management systems
- ✓and more

To ensure all necessary questions covered
in the **SLCP Data Collection Tool**

SLCP Challenge 2




Solution: Robust Verification

- ✓ Facility uses **Data Collection Tool** to complete self-assessment
- ✓ Every self-assessment is verified by an **SLCP approved Verifier**
- ✓ Verification methodology set out in **Verifier Protocol**
- ✓ SLCP has a **Verification Oversight Organization** to:
 - ✓ Approve SLCP Verifier Bodies
 - ✓ Approve SLCP Verifiers
 - ✓ Undertake Quality Assurance activities
 - ✓ Handle disputes



SLCP Challenge 3



How could SLCP ensure that a single verified data set would meet the needs of different end-users?

Solution: No Scoring

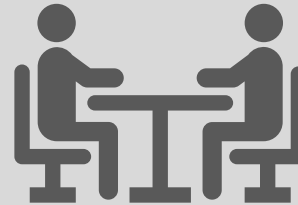
Verifiers confirm accuracy of self-assessment data and correct where necessary but they **do not** score the data.

Converged Assessment Framework to provide:

- ✓ 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.**

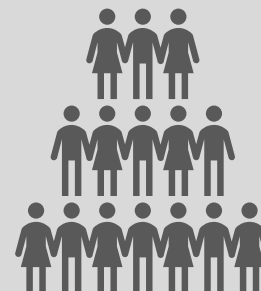
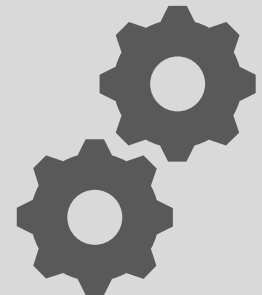


Past learning:

Failure of previous attempts to set single standard

Compatibility not competition:

System that can work with existing scoring systems

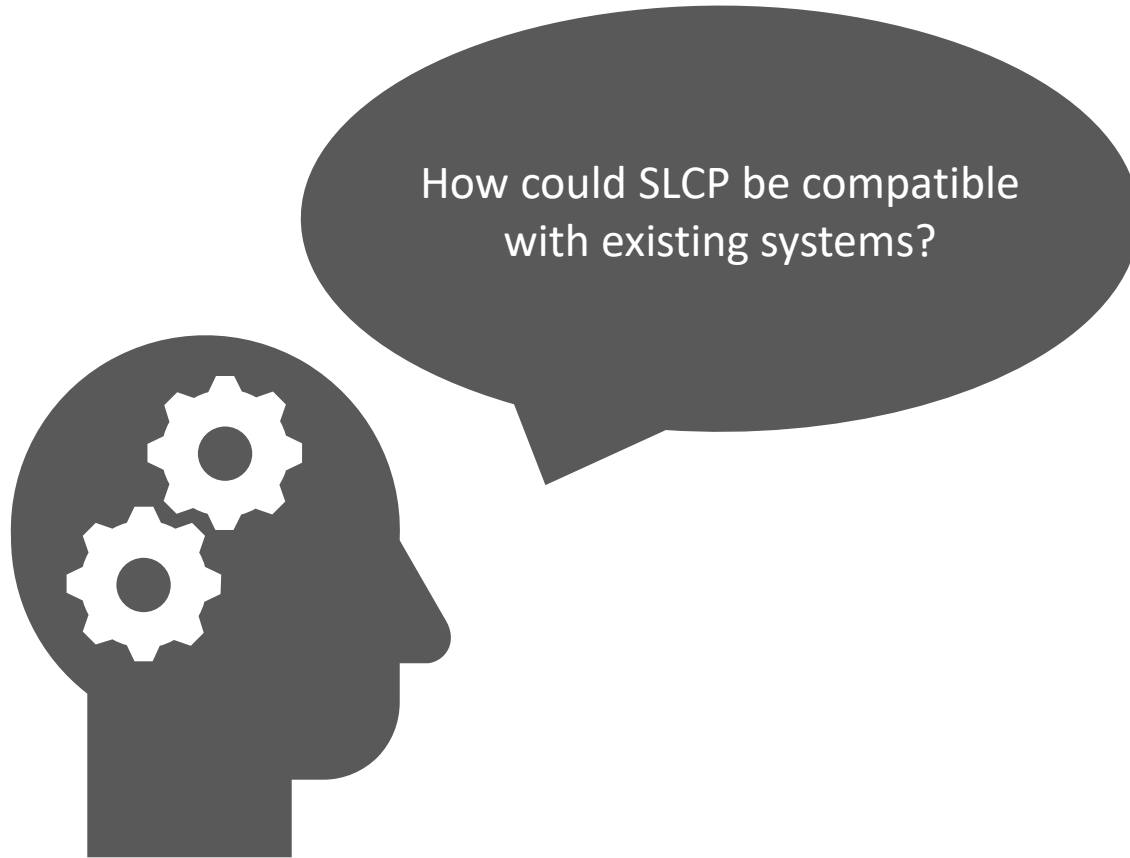


Flexibility:

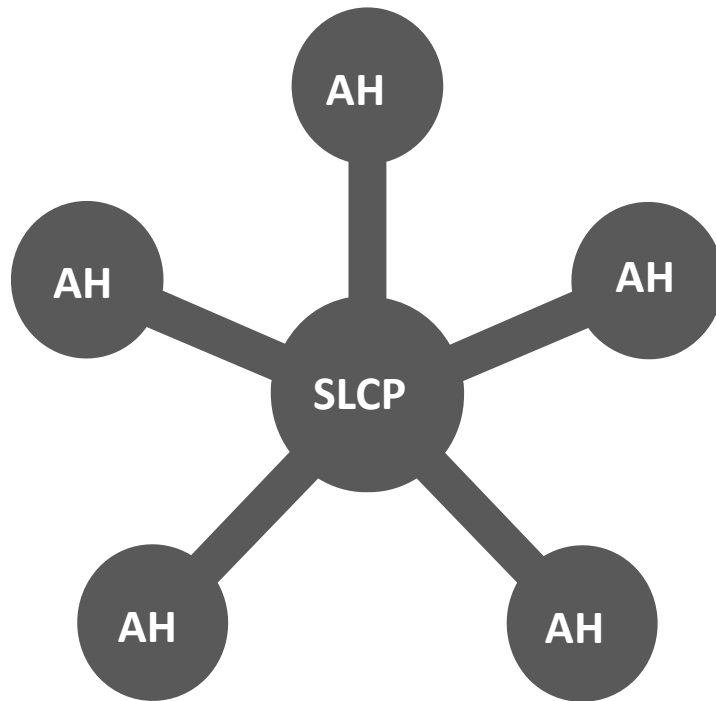
Increase usability by providing wide range of ways to access & analyse the data



SLCP Challenge 4



Solution: Accredited Hosts

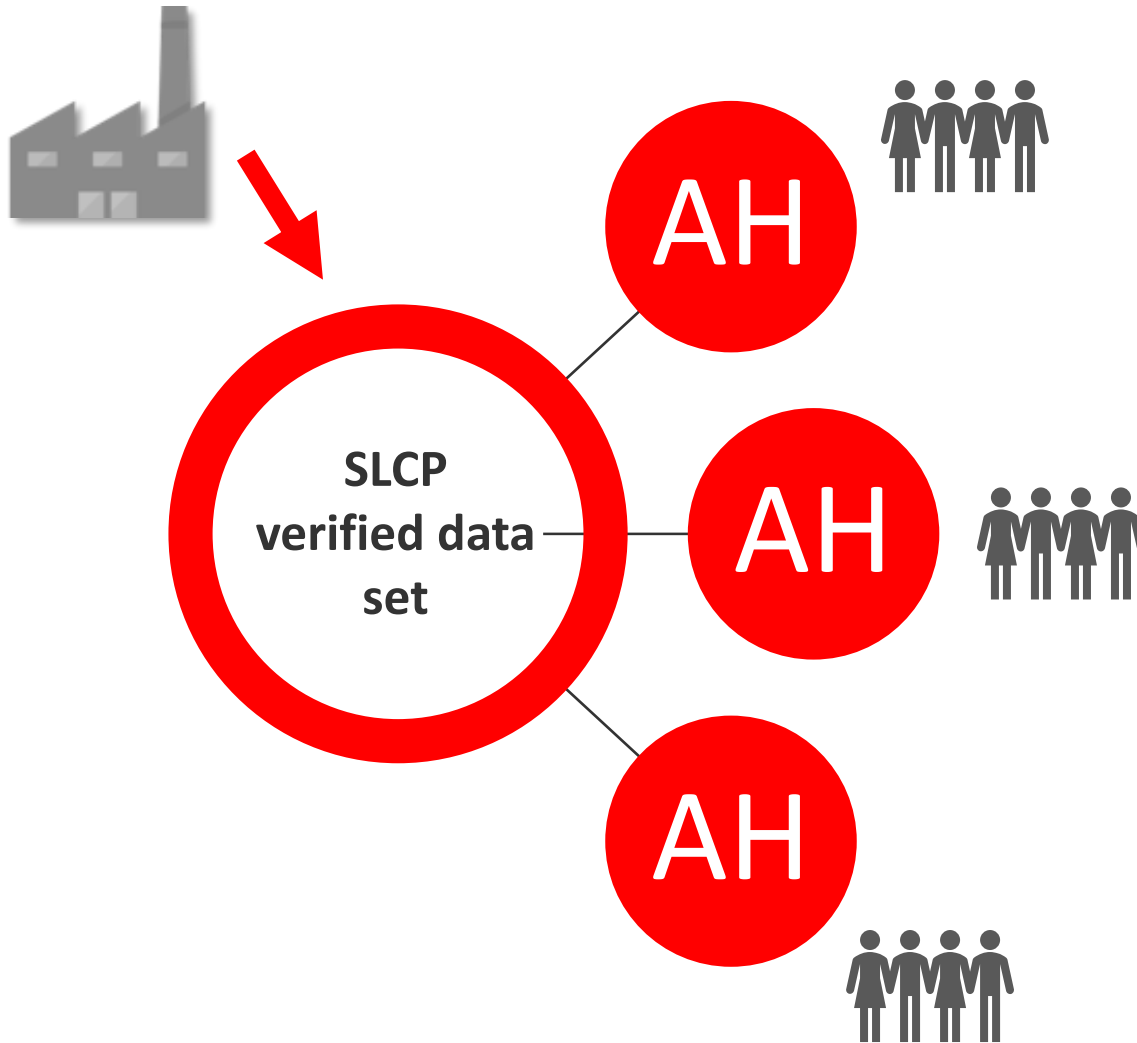


SLCP decided to utilize existing platforms to provide SLCP assessments – these platforms are known as **Accredited Hosts**.

Accredited Hosts (AH):

- Active AHs: Provide the SLCP Data Collection Tool on their platforms
- Active AHs: Adhere to the SLCP verification methodology
- Active & Passive AHs: Can add additional 'value added' services to the SLCP verified data

Maximizing Data Analysis Possibilities



Accredited Host Services

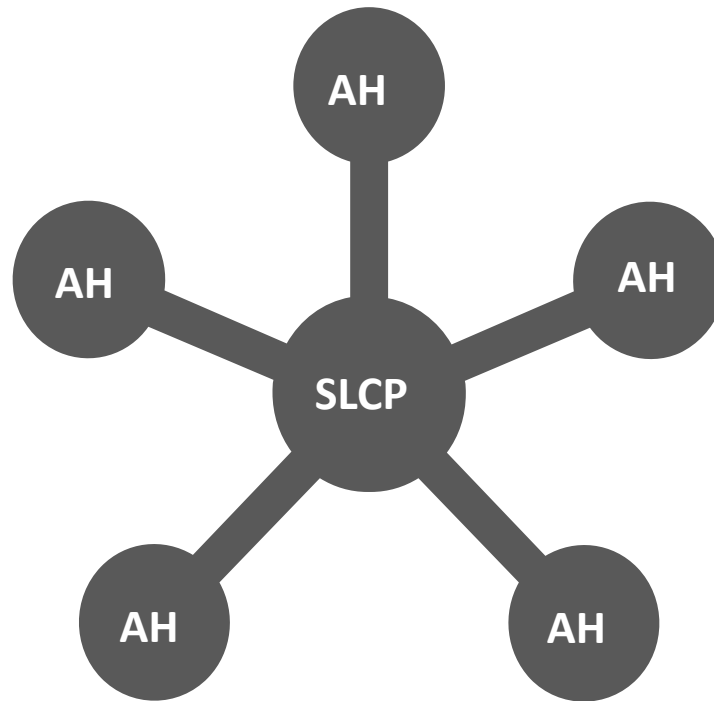
- Analysis
- Scoring/ ranking
- Translate to Code of Conduct
- Remediation planning
- Capacity building
- Collaboration
- Additional services & products



SLCP Challenge 5



SLCP Challenge 5



SLCP Gateway




Gateway

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SIGN IN

 
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LICENSE AGREEMENT AND TERMS OF USE FOR SLCP CONVERGED ASSESSMENT FRAMEWORK (CAF)
ITC GATEWAY – TERMS OF USE

version: 1.10

Gateway:

- Central repository of all SLCP verified data
- Neutral & non-competitive centre point of SLCP system
- Allows secured sharing of SLCP data between Accredited Hosts
- High level of data security and integrity



Summary: Key Principles of SLCP

1. Comprehensive tool that covers the same data points as other major audit protocols
2. Self-assessment coupled with a robust verification methodology to ensure both facility ownership and high-quality data
3. Verified data set that is standard-agnostic (no scoring) to allow end-users to add their own scoring or analysis
4. System of Accredited Hosts to provide a variety of platforms where the tool can be completed and a multitude of data analysis possibilities for end users
5. ITC-built Gateway at the heart of SLCP data hosting and sharing model to ensure neutrality as well as data integrity and security

SLCP in a Nutshell...

Three-part Converged Assessment Framework



1. Data
Collection Tool



2. Verification
Protocol



3. Verifier
Guidance

SLCP in a Nutshell...

Three-step process



SLCP in a Nutshell...

Gateway and Accredited Hosts:



Active

Accredited Hosts

- Facility complete self or joint assessment here
- Verifier conducts verification here

Gateway

- Central repository for all SLCP verified data
- Allows the sharing of verified data between the Accredited Hosts

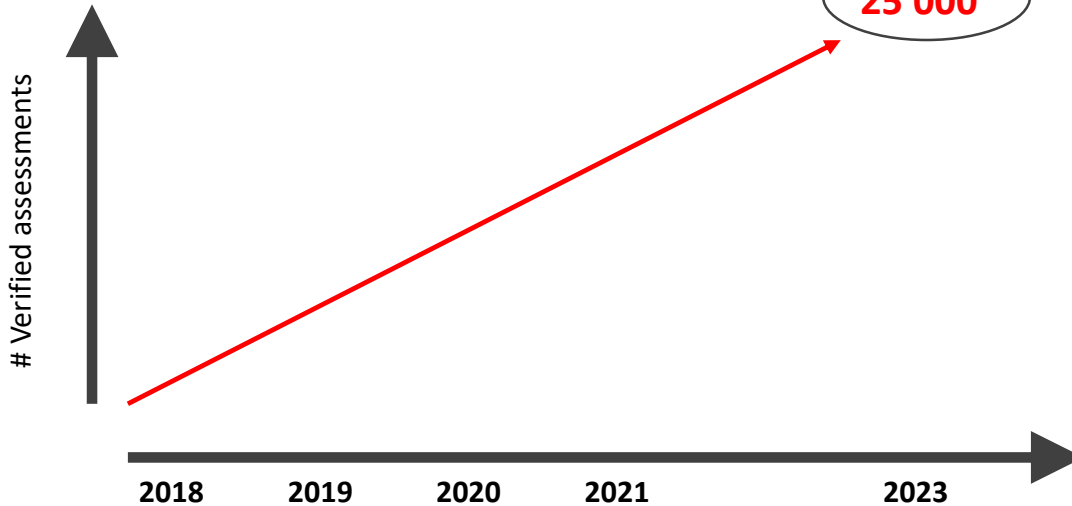
Active & Passive

Accredited Hosts

- Brand or other stakeholder accesses verified data here
- Additional value-add services provided

Potential Resources Unlocked

SLCP verified assessment adoption targets



This translates to **77% of apparel and footwear facilities** estimated to be currently under social audits: - SLCP internal research August 2018.

Rapid increment of adoption over next coming years, after 2018 Light Operation.

**'Realistic' scenario:
sharing 1.5 (2018) -3.9 (2023)**

Year	Resources unlocked for improvement (USD)
2018	\$ 41.250
2019	\$ 1.837.500
2020	\$ 10.312.500
2021	\$ 27.225.000
2022	\$ 94.312.500
2023	\$ 134.371.875

In this scenario the implementation targets are achieved for 75%, the resources unlocked for 2023 are estimated at **134.371.875 USD.**

**Thank you for
listening!**

SLCP website:
slconvergence.org

SLCP Gateway:
slcpgateway.sustainabilitymap.org

