Social & Labor Convergence Program (SLCP)
2020 Learning and Evaluation Executive Summary

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Social & Labor Convergence Program (SLCP)
Visitor Address: Fashion for Good Center, Amsterdam
www.slconvergence.org
Foreword & Objectives

Foreword Janet Mensink, Executive Director SLCP

The Social Labor Convergence Program (SLCP) publishes an annual Learning and Evaluation report for signatories. This report is an open and transparent review of SLCP’s 2020 operations that is encapsulated for all stakeholders in the Executive Summary.

By all accounts, this past year has not been without challenges for all of us. The pandemic had a major impact on supply chains globally which also affected our operations. We revised our strategic plan to adjust and accommodate the changing landscape that COVID-19 presented.

We are fortunate that there are successes to share. The number of verified assessments exceeded our down adjusted targets. The Converged Assessment Framework (CAF) is available in more countries and in more diversified facilities, and the number of verifiers has increased.

Most encouraging is to see the first concrete benefits of shared verified assessments, validating our assumption that implementation of the CAF will create impact in improving labor conditions in supply chains.

The complete Learning and Evaluation report with more in-depth analysis on the learnings gathered from our 2020 operations is exclusively available to our signatories on the SLCP Signatory Portal.

Objectives

This report aims to address the following needs:

1. Evaluate SLCP progress in 2020:
   • Is the Program on track and meeting targets and milestones?
   • Is SLCP meeting user-needs: is it scaling, is it user-friendly, is the data credible?

2. Evaluate SLCP impact in 2020:
   • Is the Program achieving the goals set out in the Strategic Plan and in the Vision and Mission?
   • Is SLCP working as planned: is verified data being widely shared and reducing audit fatigue? Are resources being redirected to improving working conditions?

3. Celebrate success and identify opportunities:
   • What have we learned from 2020 operations – where have we succeeded and where do we need to make further improvements?
A key objective in 2020 was to expand SLCP operations beyond the initial ten countries launched in 2019 and to increase the total number of completed SLCP verified assessments. The original 2020 target was 2000 verified assessments – this was revised to 1000 early Q2 2020 due to the expected impact of COVID-19.

High Level Overview
SLCP Operations To-Date

Implementation of the Converged Assessment Framework (CAF) December 29, 2020

Achievements
- 2020 revised target of 1000 verified assessments surpassed by 45%
- Increased availability of the CAF – SLCP live in over 30 countries.

Learnings and Opportunities
- Continue to diversify countries in which SLCP is available and used.
- Handful of (global) 3rd party firms are taking a majority of SLCP assessments.
- Ensure: SLCP VB qualification selection remains inclusive
- Strict quality standards for VBs to ensure only good performers remain in SLCP.
User Experience

To increase user experience in 2020, SLCP expanded and enhanced training, services, and support materials to enable more facilities to access and use the SLCP assessment process. These additional measures enabled a smooth user-journey for end-users to access reliable SLCP verified data, with the facility’s permission.

In 2020, Helpdesk FAQs were reviewed, updated and restructured to be more user-friendly. By the end of 2020, over 125 FAQs were available in 8 languages. The SLCP Helpdesk Support Team responded to tickets in 3 languages.

Ticket breakdown by type

- Gateway related tickets
- Verification related
- Process related
- Tool related
- Training related
- Others

57% of facility surveys had positive feedback. Themes identified:
- Most feedback was related to the ‘user friendliness’ or ‘ease of use’ of the Data Collection Tool or the Accredited Host operation (technical infrastructure)
- Other common feedback was related to language translation (mostly Mandarin) in the training or in the Tool that led to different understanding of questions
- Facilities’ feedback on the professionalism and performance of the VB/Verifiers was mostly positive, highlighting opportunities for system improvements in ease of use

Achievements
- Positive feedback for facility training webinars and Training Body onboarding program
- Significant reduction in average time taken to complete an assessment.

Learnings & Opportunities
- User-friendliness of the Data Collection Tool will be improved in CAF v1.4
- Training Bodies are great partners for training in local languages and for general support in translations and training materials
- Highlight the questions that are often misunderstood in trainings to better prepare facilities for assessments.
High-quality, trustworthy data is key to the success of SLCP. In 2020, a range of Q/A activities were conducted by the Verification Oversight Organization (VOO) and new measures were introduced, such as calibration meetings for verified bodies and Verifier scoring. At the beginning of 2021, SLCP launched a public QA dashboard.

Data Quality
Accuracy of facility self/joint-assessments and type & length of verification

Data Integrity
Accuracy rates* over 2 years
*Accuracy rate indicates the overlap between self/joint assessed data and verified data

<table>
<thead>
<tr>
<th>Year</th>
<th>Lowest</th>
<th>Average</th>
<th>Highest</th>
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<tbody>
<tr>
<td>2019</td>
<td>43%</td>
<td>89%</td>
<td>100%</td>
</tr>
<tr>
<td>2020</td>
<td>32%</td>
<td>91%</td>
<td>100%</td>
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In 2020 the average person day verification took 3.7 days; this is 10% reduction from 2019 (4.2 days). Relatively more verifications were done as semi-announced versus announced (25% 2020 – 13% 2019).

Achievements
- Introduction of automated checks provides an efficient & scalable method for checking data on all SLCP verified assessments.
- Introduction of VB and Verifier scoring

Learnings & Opportunities
- 2020 QA data is still heavily skewed towards China; 2021 data will be more representative.
- Verifier and VB scoring is not yet statistically relevant.
Data Usage

SLCP relies on a decentralized model of data hosting and sharing that provides facilities and data users with a range of different platforms to choose from to complete an assessment or access the data. SLCP’s objectives is for facilities to share their verified assessment with multiple buyers, thus reducing the need for repetitive social audits. In 2020 our aim was to expand the sharing of SLCP verified assessments.

Platform Usage: Gateway and Accredited Hosts
The number of visitors to the Gateway almost doubled between 2019 and 2020. All facilities registered on the Gateway can be found in SLCP’s public list of facilities (New in 2020). Verified Assessments could be shared from the Gateway with three Accredited Hosts: FFC, Higg and Sedex (phased out in Q4 2020).

Industry Acceptance of SLCP Data
In Q4 2020, SLCP launched a list of brands & organizations accepting SLCP verified data. Signatories and non-signatory’s opt-in on a voluntary basis. By the end of 2020, the list included 37 brands & organizations.

Achievements
• Significant increase in visitors to the Gateway
• Over 35 brands & organizations publicly committing to accept SLCP verified data.

Learnings & Opportunities
• Continue to drive adoption and acceptance of SLCP data to further increase sharing of VRFs.
• Ensure that quality control measures are in place to give confidence that SLCP data is honest and accurate.
SLCP’s vision is to improve working conditions and our mission is the implementation of the Converged Assessment Framework. To achieve this, SLCP is following a 5-Year Strategic Plan that sets out four concrete aims: industry adoption, resources unlocked, data access & comparability and financial resilience. In the final chapter of this report, we summarize progress against our strategic aims.

**2020 Progress Against Strategic Aims**

<table>
<thead>
<tr>
<th>Strategic Aim</th>
<th>Key Achievements</th>
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<tr>
<td>Industry Adoption</td>
<td>1455 verified assessments completed in 2020</td>
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<td>Resource Unblocked</td>
<td>Over 70% of signatories using the CAF instead of proprietary tools</td>
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<td>Data Access &amp; Comparability</td>
<td>Potential of 3.9-4.3 M USD unlocked through use of the CAF</td>
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<td>Financial Resilience</td>
<td>Over 70% of signatories have a plan in place to track &amp; redeploy savings</td>
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<td>Strong network of Accredited Hosts</td>
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<td>Development of CAF v4 with Better Work</td>
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<td>2020 budget based on 47% earned income, vs 15% in 2019</td>
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<td>Target of 90% of 2021 budget to be based on earned income</td>
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**Manufacturer Case studies:**

- Turkish Manufacturer (SLN Tekstil) was able to share their SLCP verified data with three brands, and these brands cover about 80% of their production volume.
- According to a large Asian manufacturer, approximately 10 unnecessary audits were saved by the two SLCP verified assessments conducted in 2020.

**Achievements**
- Signatories are committed to using SLCP in place of their proprietary tool.
- Increased % earned income (47%) compared to 2019.

**Learnings & Opportunities**
- Continued focus on impact: scale adoption, increased sharing per VRF, reduced #man days verification (while maintaining data quality).
- Broaden scope of acceptance SLCP verified assessments. Diversification brands/product groups, standard holders.
SLCP would like to thank all the signatories that supported SLCP implementation in 2020.

Feedback and further information:

- Please contact info@slconvergence.org for feedback or questions
- Please visit the Gateway for the latest information on SLCP roll-out
- For questions about the SLCP assessment & verification process, consult the FAQs on our helpdesk.

The full Learning and Evaluation report is available for signatories and can be found in the SLCP Signatory Portal.

Thank You!