



Leverage SLCP Verification Service

SLCP (Social and Labor Convergence Project) is a multi-stakeholder initiative that is aiming to improve labor conditions in the apparel and footwear industry. The program was officially rolled out in May 2019. As of May 2019, there are over 200 SLCP signatories in total. **Leverage Limited** is a SLCP approved Verifier Body (**VB 881120**), we are dedicated to helping manufacturers and buyers pick up SCLP assessment tools and ultimately reduce the number of factory audits.



■ SLCP Objective

The objective of the Social and Labor Convergence Project (SLCP) is to create a Converged Assessment Framework for social and labor data collection that will eliminate audit fatigue. It aims to avoid duplications and reduce the number of social and labor audits, by replacing current proprietary assessment tools. This will allow resources that were previously designated for compliance audits to be redirected towards the improvement of social and labor conditions. It will also increase the opportunity for greater comparability of social and labor data.

■ SLCP – The Benefits

Stakeholder	Benefits
Manufacturers	<ul style="list-style-type: none"> • Reduction in audit fatigue • Increased ownership of, and accountability for, social assessments • Ability to redirect resources saved to improvement activities in line with company strategy and desired impact
Brands, retailers, agents	<ul style="list-style-type: none"> • Reduced management burden • Credible S&L data: facility level and aggregated • Ability to redirect resources saved to improvement activities in line with company strategy and desired impact • Enhance/protect brand reputation

Three part Converged Assessment Framework (CAF)

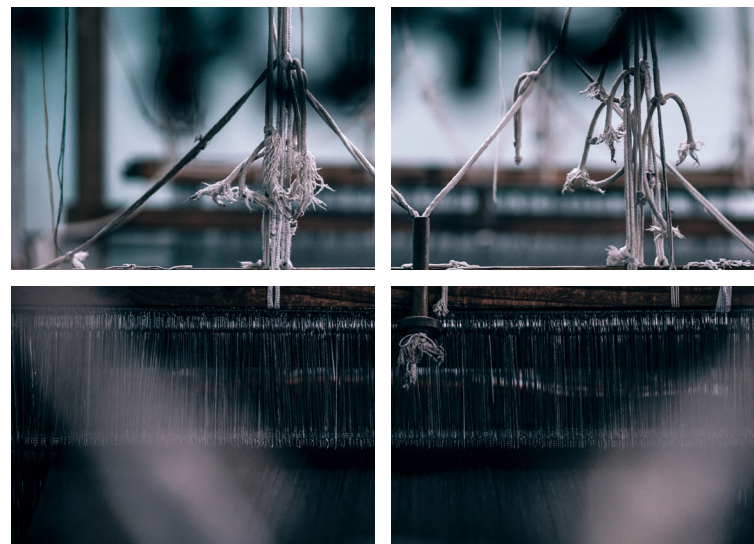
- Data Collection Tool**
 - Used by Facility & Verifier
 - Records Facility and verified data
- Verification Protocol**
 - Used mainly by Verifier
 - Verification methodology
 - FYI for Facility
- Verifier Guidance**
 - Used by Verifier
 - Detailed verification guide

■ SLCP Accredited Host

An Accredited Host is a key actor in the SLCP system for data hosting & sharing. They are an existing platform that accommodates the offline/online S/J assessment, online verification and is the focal point for sharing verified assessments to end-users. SLCP currently has 3 approved accredited host: Sedex, FFC, Sustainable Apparel Coalition.

■ SLCP Distribution Gateway

Through the Distribution Gateway, unique IDs for facilities, verified assessments and Verifiers are created. The Distribution Gateway acts as a repository for all SLCP verified assessments and facilitates the sharing of these data with the different AH's. The Distribution Gateway is run by ITC (International Trade Center). The SLCP Distribution Gateway is accessible via this link: gateway.slconvergence.org



SLCP Assessment Process

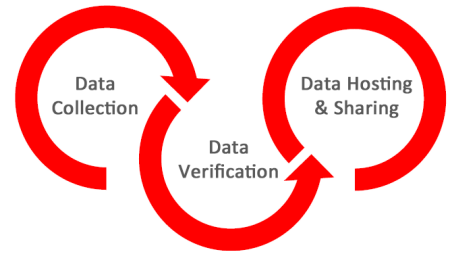
- **The facility conducts a self** - or joint-assessment through Excel provided on the online system of one of the Accredited Hosts. As part of our SLCP services, Leverage also supports facility to complete the self-assessment.

- **Data is verified by an SLCP approved Verifiers.** This can be completed by an independent (2nd (e.g. buyer) or 3rd party (e.g. Leverage as a service provider).

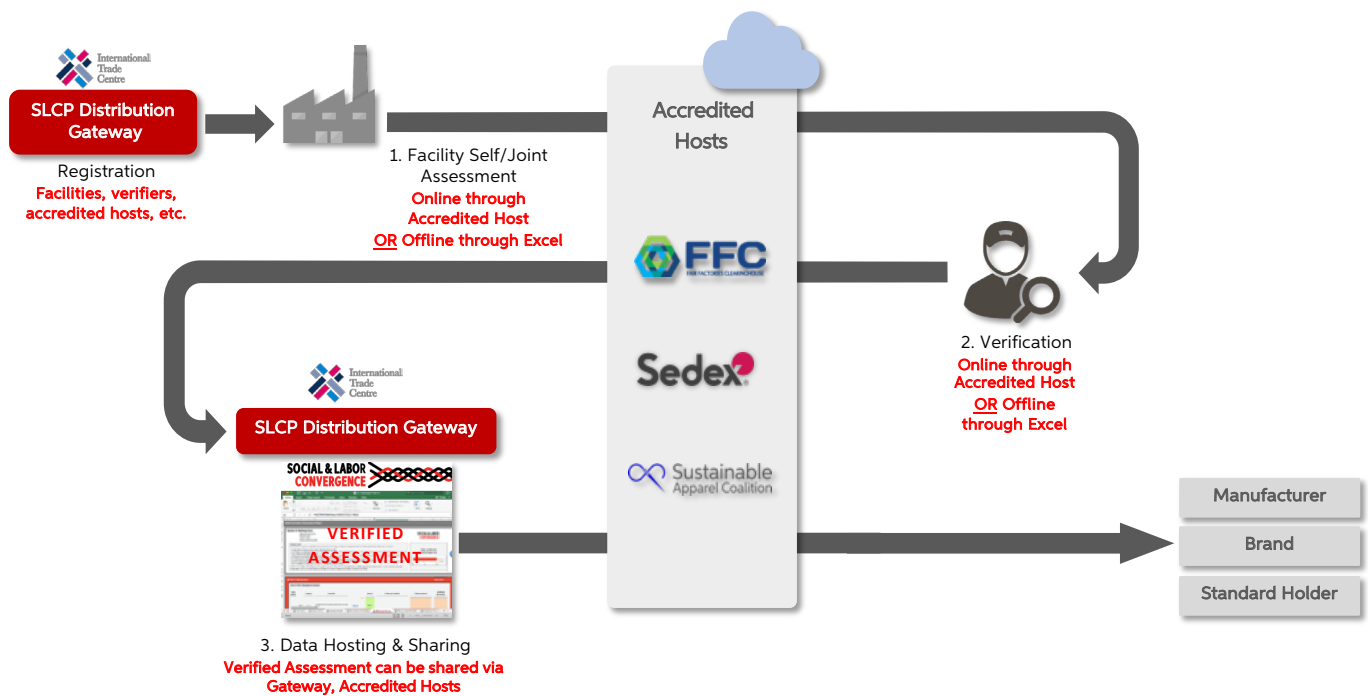
The verification is always done through one of the SLCP Accredited Hosts, a platform which has integrated the SLCP data collection & verification tool into an online format.

An SLCP approved Verifier checks completeness and accuracy of the data collected during the self-/joint-assessment.

- **The verified assessments** are sent to the Distribution Gateway, from where they are further shared with the Accredited Hosts selected by the facility.



SLCP Data Hosting & Sharing



Cost of SLCP Verification

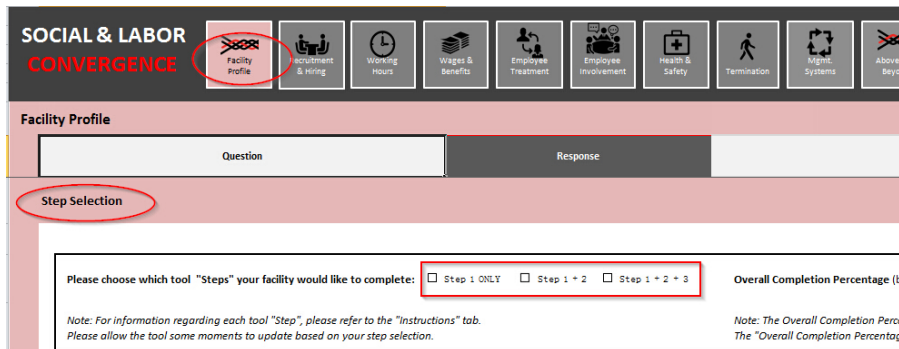
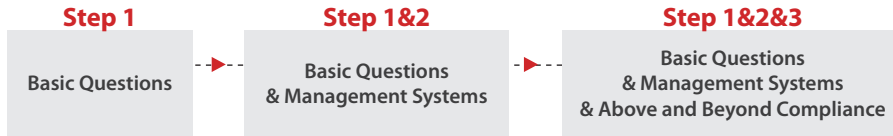
The verification cost is determined by the SLCP Verifier Body. By default, the factory pays for verification fees based on factory ownership. The SLCP verification request should be sent to Verify body at least 10 days before the onsite assessment.

Fee type	Amount	Specific contents
Gateway & SLCP tools & related resources usage	Free of charge	Usage of Gateway, SLCP service platform, CAF and related materials
SLCP On-line training	Free of charge	On-line training course
On-site Verification Fee	Depends on Verifier Body	Verification cost of Verifier at factory, contact a custom service staff form leverage limited to get a quote.
SLCP Verification upcharge fee	\$300 (2019-20) \$150 (by 2023)	Administration fee paid to SLCP for each verification. Use for maintenance and upgrade of SLCP systems.
Accredited Host usage fee	Depends on Accredited Host	Self-assessment using an Accredited Host platform



How do manufacturer schedule a verification?

Facilities can find an overview and have access to details of SLCP approved Verifying Bodies from the SLCP Gateway. The facility will select one Verifying Body and the VB then assigns an approved Verifier. The level of completion will depend on the facility and their relationship with their brands/buyers. The type of verification required will affect the length of time that the Verifier will spend on site. Depending on the request from buyer/brands, the facility has the option to complete either:



Verification Person Days Table

					Minimum requirement		
Number of Workers ^o	Individual Interviews*	Number of Group Interviews*	Personnel Files	Wage&Hour Records	Person Days (Step 1)	Person Days (Step1 & 2)	Person Days (Step1&2&3)
1-100	10	1	16-18 [^]	16-18 x set of 3 = 48-54 [^]	2	3	4
101-200	12	2	24-28 [^]	24-28 x set of 3 = 72-84 [^]	2	3	4
201-500	15	2	27-31 [^]	27-31 x set of 3 = 81-93 [^]	3	4	5**
501-1000	20	2	32-36 [^]	32-36 x set of 3 = 96-108 [^]	3	4	5**
1001+	26	3	44-50 [^]	44-50 x set of 3 = 132-150 [^]	4	5**	6**

^oWorkers in this context means the workers who are within scope of the SLCP assessment. These are "Production Employees" (employees working on/with the facility's product or directly involved in the operations of the facility). They are non-supervisory. Which means, no one reports to them.

* Time estimate: 15 minutes per individual interview, 30 minutes per group of 6-8. Group interviews are in addition to individual interviews. E.g. 1-100 workers total 16-18 employees must be interviewed.

[^] Range applicable, as group interviews are one group = 6-8 workers.

** VBs must send at least two Verifiers onsite to limit the calendar days onsite (unless facility provides express permission to exceed the 4 calendar day requirement). Note, all Verifiers do not have to be present every single day of the onsite verification, however details about who was present on which day must be noted in the Verification Details section of the report.

SLCP Verifier Body

Leverage Limited is one of the approved SLCP verify bodies (VB number VB 881120).

For complete list, please check: slconvergence.org/signatories

Known Brands as SLCP Signatories

adidas Group, Aldo, Amer Sports, Ann Inc, Arc'teryx, Arena, Asics Corporation, Bestseller A/S, Brooks Sports, Burton Snowboards, C&A, Camelbak, Columbia Sportswear Co., De Bijenkorf, Ecco Holding A/S, Eileen Fisher, Esprit, Fanatics, Fast Retailing/Uniqlo, Gap Inc., G-Star, H&M, HEMA, IC Group, INDIGENOUS, Inditex, KappAhl, Kathmandu, Kering, L Brands, Levi Strauss & Co., Liberty and Justice, Lojas Renner, LL Bean Inc., Loomstate, lululemon, Macy's, Mountain Equipment Co-op (MEC), Miss Green, Mud Jeans, M&S, New Balance, Nike Inc., Outerknown, Patagonia Inc, Pentland Brands, PrAna Living LLC, Puma, PVH Corp., REI, SanMar Corp, Stella McCartney, Schutt Sports, Talbots, Target Corporation, The Children's Place, Tory Burch, VF Corporation, Williams Sonoma, Inc., zLabels, Zephyr Graf-X, Ethical Apparel Africa, Haddad Group, Li&Fung (Trading) Ltd., MGF Sourcing, Randa Accessories, Vetta Brands



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