

# BEPI News

E-News from BEPI

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**BEPI** An initiative of the Foreign  
Trade Association (FTA)  
Business Environmental  
Performance Initiative

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## Editorial

Dear readers,

Welcome to the Summer 2015 issue of the Business Environmental Performance Initiative's (BEPI) quarterly newsletter, updating you on recent efforts of FTA's newest sustainability initiative supporting companies to enhance environmental performance in their global supply chains.

We are pleased to share BEPI's latest achievements, particularly with regards to the growing participation of companies and their producers in BEPI, and a coming series of workshops available to producers in China. Our top story also shares high-level insight into a priority issue for companies: chemical management in supply chains.

Although the management of chemicals in the supply chain has always been high on the agenda for businesses, recent developments from REACH to the Greenpeace Detox campaign are ramping up the pressure to tackle this fundamental challenge. In this newsletter we focus on what you can do to improve chemical management in your supply chain, with practical steps and advice.

We share not only a whole host of new resources, including a new corporate video, updated information brochure and webinars, but also round up our awareness-raising activities through meetings such as the FTA General Assembly, BSCI National Contact Groups and external events.

We encourage you to visit the freshly launched FTA website, which for the first time unites all FTA services including BEPI, the Business Social Compliance Initiative (BSCI) and International Trade Policy (ITP) in one convenient and mobile-optimised web location.

Don't hesitate to get back to us with your feedback and questions.



Christian Ewert  
FTA Director General



Stuart Harker  
BEPI Managing Director

## Inside BEPI

### One Year Anniversary: BEPI Shares Achievements During FTA General Assembly 2015

One year after the launch of FTA's Business Environmental Performance Initiative (BEPI) during the 2014 FTA General Assembly, Stuart Harker, BEPI Managing Director, took to the stage to deliver a progress report highlighting BEPI's concrete achievements and next steps with members.



As part of the 2015 FTA General Assembly which took place on 11 June in Brussels, a presentation shared the achievements over the past year, which included:

- An active member engagement programme resulting in over 40 new participants with 10 of their producers already engaged in the BEPI process
- Launch of this newsletter as an important channel sharing information
- A number of successful Member Information Days held at FTA offices in Brussels
- Online BEPI webinars sharing the business benefits of the initiative
- Building productive relations with other stakeholders – particularly in China, the top sourcing country for FTA members - to enhance the maturity of the initiative

Also announced during the Assembly is a new [BEPI corporate video](#) which sets the context for BEPI and provides a summary of the key steps. In addition, an updated [BEPI Information Brochure](#) is now available that highlights the benefits for retailers, importers and

## BEPI Events

[FTA Seminar on Reach and Regulatory Compliance](#) (22 September 2015 – Brussels)

[BEPI Producer Workshop](#) (26 October 2015 – Shanghai)

[BEPI Producer Workshop](#) (28 October 2015 – Shenzhen)

[BEPI Producer Workshop](#) (29 October 2015 – Wenzhou)

[BSCI Annual Conference](#) (25 & 26 November 2015 – Brussels)

## External Events

[SGS Textil Seminar 2015](#) (15 September - Düsseldorf)

brand companies to engage their producers in the BEPI process. These achievements will feed into coming priorities through 2016 which focus on enhancing member engagement, stakeholder collaborations and extending the current technical service offering.

### FTA Forum: Impact of E-Commerce on Sustainability

An afternoon breakout session during the Assembly examined the sustainability impact of the rapid growth of e-commerce. The session, which united FTA members and stakeholders, covered a wide scope of positive and negative impacts, which streamed the sustainability impacts resulting from:



- 1st Order Effects: Production and use of ICT devices i.e. tablets, smartphones, servers, etc.
- 2nd Order Effects: Change to retail processes and markets, i.e. digitalisation of media, logistics, etc.
- 3rd Order Effects: Unintended consequences of ecommerce, i.e. decreasing prices and increasing efficiency of ICT systems



Attendee feedback demonstrated that e-commerce represents new and uncharted territory in the field of sustainability but also showed consensus that due to the potential social and environmental impacts it could loom larger on the agenda of businesses as they strive to manage their environmental impacts. Stated Stuart Harker, BEPI Managing Director, *“The sustainability impact of e-commerce is a new and complex area to most. However, e-commerce is set to bring future sustainability challenges and opportunities in areas including advanced technology, new supply chain models and distribution networks.”*

Visit the [event website](#) to find session summaries, photos and other media.

### Coming in October 2015: BEPI Producer Workshops in China

To support producers in China to improve their environmental performance, BEPI is offering three one-day introduction workshops to be held in October 2015 in Shanghai, Shenzhen and Wenzhou. This new series builds on the success of BEPI



## Resources

- [BEPI Corporate Video](#)
- [BEPI Information Brochure \(English / Chinese\)](#)
- [BEPI Case Studies](#)
- [BEPI Introduction Webinars \(Part I / Part II / Part III\)](#)
- [FTA Annual Report 2014 - 2015](#)
- [FTA Website Tutorial](#)
- [FTA Website FAQ](#)
- [FTA Corporate Video](#)

## BEPI in the Media

[TTIP: A Call for Decisive Action](#), 13 July 2015 (Euractiv)

[FTA Demands EU Trade Policy Adapted to Today's Global Value Chains](#), Press Release, 23 June 2015

[European retailers call for flexible EU trade policy](#), 23 June 2015 (Just Style)

[Comerciantes piden a UE que avance en los acuerdos con los países asiáticos](#) 23 June 2015 (Agencia EFE, Spain)

[EU trade policy must adapt to global value chains](#), 24 June 2015 (Fibre2Fashion)

Join us!

producer workshops held in [China in December 2014](#) and represents a great opportunity for producers from all sectors to have their questions answered directly by the BEPI team and local environmental experts.

These workshops will be held on:

- 26 October 2015 – Shanghai
- 28 October 2015 – Shenzhen
- 29 October 2015 – Wenzhou

While online registration will open as of September 2, 2015, please feel free to contact the secretariat in advance, to register your interest: [info@fta-intl.org](mailto:info@fta-intl.org)

For more information on joining BEPI or about BEPI services contact our team:

[Stuart Harker](#), Managing Director

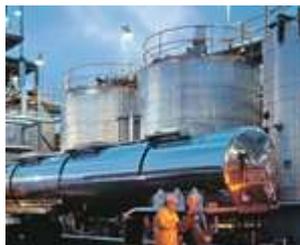
[Flavia Micilotta](#), BEPI Coordinator

[Anouschka Jansen](#), BEPI Environmental Specialist

## BEPI Focus

### Chemical Management: A Complex Environmental Challenge for Businesses

Driving long-lasting environmental improvement in your global supply chain - while increasingly critical to long-term business success - represents a major endeavour, of which chemical management is a core part. In today's globalised business arena, complex requirements and pressure from stakeholders such as legislators and NGOs can seriously impact your business, products and services, customers and consumers. Here we outline the business risks reflecting on recent cases in the media, and share some tips and starting points to get ahead of this crucial supply chain management priority.



#### Key Take Home Points

- Chemical management in today's globalised supply chain is a major and complex challenge for businesses
- Developments in legislation like REACH and pressure from stakeholders are increasing pressure on companies to improve chemical management
- Producers can struggle to understand and comply with environmental and chemicals legislation
- When chemicals are not managed in the supply chain, the risk to the company can be serious and long-lasting
- BEPI can support chemicals management through its online producer database, where tier 1 producers can invite their producers from further tiers to share information

## Managing Chemicals in a Globalised Marketplace

Policy and legislation define what you can, should and should not do as a business in the country in which you operate. However, there is a big gap between these requirements and producers' capacity to meet you on these critical areas. Many producers across the globe struggle with legislation in their own countries, and may be doubly unfamiliar with the rules by which your business has to abide. They may lack the expertise or manpower to understand or handle your requests.

One example of the scale of potential negative fallout for businesses was underlined by a recent case reported on in [The Wall Street Journal](#), where Nestle's Maggi noodles, claimed by Indian legislators to contain excess levels of lead, were recalled. Despite an appeal and retesting, which showed allowable levels of lead, Nestle announced that the value of the recalled noodles and related materials is estimated around 50m US\$.

Demands for transparency are increasing from all sides. [Greenpeace's Detox Campaign](#) continues to impact apparel and footwear companies. In China, particularly, the Institute of Public and Environmental Affairs (IPE) joined efforts with Greenpeace to support the collection of detox-related discharge data. More recently, IPE co-created the [Corporate Information Transparency Index](#) with the Natural Resource Defence Council (NRDC), evaluating companies in different sectors. But even that is changing. The rapidly changing environmental legislation in China is now being followed through with real-life consequences for manufacturers. Not only is the China government stepping up the enforcement of its environmental laws, textile dyeing and finishing plants could face substantial fines or even face being shut down.

### Practical Steps to Get Started

China is of course just one example. Many other sourcing countries have specific requirements on substances and chemicals. It all comes down to the same issue – who is in your supply chain and what risks might they bring?

Some useful questions are:

- **Do I know my supply chain?** Often we think we do, but further digging will show we only know the tip of the iceberg, also known as tier 1 producers
- **What do I know of my supply chain?** You only have time and staff to interact directly with your most strategic suppliers. So who are the others? How are they handling your product and requirements?
- **What risk does my supply chain represent to my business?** Is there a risk not knowing your entire supply chain?

Mapping your supply chain is a starting point to understanding your producers, and how they fit into your risk management strategy.

### **BEPI: A Holistic System for Assessing and Improving Your Supply Chain**

So how can BEPI assist you in enhancing this critical business challenge? BEPI offers a [three-pronged approach](#) to managing environmental risk in your supply chain. It does so across [eleven environmental performance areas](#) (EPAs) one of which is pollution prevention and chemicals. However, before looking at chemicals management, BEPI requires all producers to assess their Environmental Management Systems (EMS), a mandatory EPA for all producers, as a lack of EMS aggravates all other areas. BEPI believe that every producer should benefit from a foundation level environmental management system in place before tackling more complex environmental performance needs.

As many companies can attest, the most significant risk to good chemicals management is not at tier 1 of your supply chain, where you have more direct visibility on operations, but at your tier 2 and 3 producers. BEPI helps you tackle this, particularly through the BEPI platform, an online producer performance database that allows your tier 1 producers to invite their own business partners and producers to join BEPI. Not only will this help you map your supply chain, it will also give you a better insight into who these producers are and eventually provide easier access to deploy different programmes to address chemical issues in the various tiers. BEPI provide a solid trajectory for your producers to follow along the path of improved environmental performance, based on management systems principles and capacity building. This ensures a strong foundation on which specific chemical management challenges can be identified and addresses, and more long-lasting programmes can be built.

### **FTA Seminar on REACH**

All companies that are FTA members are welcome to register for the forthcoming [9th Seminar on REACH and Regulatory Compliance](#) taking place on 22 September in Brussels. This seminar will provide practical advice on how to improve supply chain communication along with the upcoming REACH review 2019 which may lead to stricter rules and additional administrative burdens.

For more information, consult the [agenda](#) or log in to the FTA website to register.

## **BEPI Updates**

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## New Resources: BEPI Introduction Webinars, Information Brochure and More

BEPI is pleased to announce the launch of new training and information material as well as a fresh new web presence, to help you and your producers familiarise yourself with the benefits of the initiative.



Firstly, new webinars are now available to help you get familiar with how the BEPI process supports companies towards improving environmental performance in global supply chains. Broken into three main parts, these are available via the new FTA World website under “Resources”, and can be accessed by you or your producers at any time. The webinars include:

- Part I: [Your Partner to Sustainable Supply Chains](#)
- Part II: [BEPI System: How it All Works](#)
- Part III: [Communication Tools](#)

Secondly, the recently published FTA Annual Report shares the achievements of BEPI over the last year: from the launch in June 2014 at the FTA General Assembly to the roll out of the initiative with producers in China. [Click here](#) to download this report.



In addition, a refreshed BEPI information brochure – available in English and Chinese - highlights more clearly its system, goals and targets. This new version also includes new features like testimonials from participants who have already started working with BEPI and have engaged their participants and also a clear overview of the different BEPI services offered to retailers, importers and brand companies. [Click here](#) to download the BEPI information brochure in English – [click here](#) for the Chinese version.



The [BEPI website](#) has been relaunched as part of an overarching FTA website that unites BEPI with FTA initiatives the Business Social Compliance Initiative (BSCI) and International Trade Policy (ITP). You can [watch a video tutorial](#) introducing the main changes

to the website, or read an [FAQ list here](#). You may wish to update your bookmarked items related to FTA and BEPI with this in mind.

## Environmental News

### Environmental Goods Agreement (EGA): Promoting EU Environmental Objectives through Trade

The European Commission aims to have its trade policy support economic growth, social development, and environmental protection, as highlighted by recent activities at high political level. On 3 June 2015, the EU's DG Trade held a roundtable debate focusing on ongoing negotiations for



an [Environmental Goods Agreement](#) to promote trade in green technologies. On 29 June, EU Trade Commissioner Cecilia Malmström, together with Climate Action and Energy Commissioner Miguel Arias Cañete also met over 200 participants to discuss opportunities and challenges in the transfer of environmentally friendly technologies.

Commissioner Malmström highlighted the urgent nature of solutions addressing climate change and other environmental challenges. She noted the need for stakeholders to keep pressure on negotiators for an ambitious outcome. The European Commission is the world's leading exporter and importer of environmental goods and services. The EU's export of green goods make up between 10 - 15% of total EU exports. Their annual growth rate is in the double digits. And unlike many other sectors, green goods kept creating jobs throughout the financial crisis. It represents a huge opportunity for the future. One estimate puts the current global export market at just under 900 billion US dollars.

#### What is Needed to Make this Happen?

Tariffs should be more ambitious: as the global average bound tariff for environmental goods is almost 9% and that average conceals much higher tariffs in some areas, what needs to be taken into account is that on some environmental goods in South Asia for example the tariff can be over 20%. In Latin America and the Caribbean the peak can be as high as 41%.

- The strategy going forward is to get rid both of these few high tariffs and of the many lower ones, while making sure to agree on being effective.
- There should be an agreement to cover as many environment products as possible. The EU would like to see

a deal that covers products that can be used to control air pollution.

- Goods that support better waste management and better access for equipment involved in water treatment should be included.

The European Union believes that this deal should go even further - beyond tariffs altogether. Aware of not being able to reach an agreement on everything at once, and knowing that areas like technical barriers to trade require complicated technical work, the Commissioner stresses the need for a 'living' agreement with a clear revision mechanism. This would facilitate updates of the text as needed to add new products and set a programme for future work on the whole range of non-tariff barriers.

## Contact Us

The Business Environmental Performance Initiative (BEPI) is an initiative of the Foreign Trade Association (FTA) that provides a practical framework for all sectors to improve environmental performance and reduce environmental risks. FTA is the leading business association of European and international commerce that promotes the values of free trade and sustainable supply chains ([www.fta-intl.org](http://www.fta-intl.org)).

To share your feedback, contact [bepi@fta-intl.org](mailto:bepi@fta-intl.org)

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