BEPI News

E-News from BEPI

Issue 4 | December 2015





Editorial

Dear readers.

Welcome to the latest BEPI newsletter. As 2015 comes to a close we would like to inform you of updates on BEPI activities over the past few months and bring to your attention some wider environmental topics.

Following the recent COP 21 climate change negotiations in Paris, this edition of the newsletter will draw on the discussions and the outcomes. COP 21, also known as the 'Paris Agreement' has now been agreed and sets the global foundation for action on climate change. This follows the UN Sustainable Development Goals (SDGs) a universal set of goals, targets and indicators that UN members will use to frame their policies over the next 15 years.



SDGs represent an ambitious and comprehensive framework that will ultimately increase the focus on businesses to generate long-term sustainability success, particularly with regard to the environmental aspects of their supply chain. SDGs of particular relevance are those connected to water and energy management, combatting climate change and sustainable sea and marine practices, amongst others. FTA firmly acknowledges the importance of businesses to incorporate sustainability actions towards shaping society and the future of the planet.

To this end, BEPI successfully rolled out its capacity building programme through producer workshops delivered in China in partnership with Chinese service providers. These workshops give producers an introduction to managing environmental performance through BEPI, helping them to understand the practical onsite benefits of the BEPI Improvement Phase and learn practical chemical and water management techniques.

In addition, through FTA's member seminar on REACH and chemicals BEPI provided practical support on chemical management, alongside experts from Levi Strauss & Co. and the European Chemicals Agency.

My best wishes for the festive season and prosperous 2016!

Stuart Harker BEPI Managing Director

BEPI Focus

COP21: 'The Paris Agreement' and its Impact on Sustainability in the Supply Chain

Following months of preparation, two weeks of negotiations and a last minute 'should/shall' typographical error, the Paris Agreement has now been reached that sets the path to limit climate change and to transition to a cleaner economy. The future business role to achieve this goal is of course significant. With the Paris Agreement in place as a policy basis an increasing number of companies are agreeing to set science-



based emission reduction targets that will impact many areas of their business operations. One area that of course has significant carbon emissions is the supply chains.

Approximately <u>25%</u> of total global emissions are 'embodied emissions' in exported products, i.e. emissions from the sourcing of raw materials, manufacturing of products and pre-export transportation. A high proportion of these emissions originate from Chinese finished products shipped to consumers in Europe and the US. It follows that in order for business to follow the ambitious roadmap that the Paris Agreement has set then a sound understanding and management of these 'embodied emissions' in supply chains is crucial. To support this work BEPI provides our members with a framework in which supply chain emissions can be monitored and subsequently reduced at a local level.

The goals and ambition of the Paris Agreement is indeed high, the timescales often long, however what it does now provide is a low-carbon path for business to follow.

Sustainable Development Goals: How is BEPI Aligned and What Tools Are Out There to Support Your Business

Over the past 15 years, the Millennium Development Goals (MDGs) have shaped and influenced sustainability agendas of governments, organisations and companies. While reports and analyses are being published on the MDGs successes and failures, the world is starting to shape the post-MDG agenda, also known as the Sustainable Development Goals (SDGs). A truly ambitious agenda entitled "The 2030"



<u>Agenda for Sustainable Development</u>" seeks to address all sustainability challenges of this and future generations via 17 SDGs and 169 targets.

Resources

- BEPI Corporate Video
- BEPI Information Brochure (<u>English</u> / <u>Chinese</u>)
- BEPI Case Studies
- BEPI Introduction Webinars (<u>Part I</u> / <u>Part II</u> / Part III)
- FTA Annual Report 2014 2015
- FTA Website Tutorial
- FTA Website FAQ
- FTA Corporate Video

BEPI in the Media

Interview with FTA's
Director General - Part 1,
16 November (Ekattor TV,
Bangladesh)

Interview with FTA's
Director General - Part 2,
16 November (Ekattor TV,
Bangladesh)

Skills building key to garment sector growth, 13 October (Daily Star)

Join us!

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

Stuart Harker, Managing Director

Anouschka Jansen, BEPI Environmental Specialist

Businesses are now looking for practical tools to address the SDGs. Through BEPI implementation businesses directly address and tackle many of the SDGs and there is a growing number of initiatives aimed at supporting companies.

SDG Compass

Developed by the Global Reporting Initiative (GRI), the UN Global Compact and the World Business Council for Sustainable Development (WBCSD), the SDG Compass outlines five steps for business to align with and advance the SDGs and explore live inventories of business indicators and tools.

SDG Industry Matrix

The UN Global Compact and KPMG are partnering on the SDG Industry Matrix project to showcase brief industry-specific examples and ideas for corporate action related to each upcoming SDG. Industries will be called upon to submit examples, which will then be reviewed by multi-stakeholder roundtables.

Business Environmental Performance Initiative (BEPI)

FTA's mission is *Free Trade. Sustainable Trade.* With business services covering trade policy, social compliance (BSCI) and environmental performance (BEPI) in supply chains, the relevance of the Sustainable Development Goals is apparent.

For BEPI there is a natural fit with the SDGs covering environmental areas and issues. Examples of how BEPI participation can support companies manage their environmental risks and contribute to achieving the SDGs are:

	SDGs	BEPI
#2	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	Addressing land use, soil and groundwater pollution and water use, not only within the producer premises but also in neighbouring areas and communities.
#3	Ensure healthy lives and promote wellbeing for all at all ages	Healthier industries support healthier communities. BEPI supports producers to manage, reduce and avoid hazardous chemicals, emissions and contamination.
#6	Ensure availability and sustainable management of water and sanitation for all	By addressing water use, effluent management and soil/groundwater pollution prevention, supply chains can play a big role within their communities to ensure clean water is available for all.
#7	Ensure access to affordable, reliable, sustainable and modern energy for all	Providing practical support to companies, big and small, to measure and manage better energy use.
#8	Promote sustained, inclusive and sustainable economic growth, full and productive	Supply chains addressing environmental management and performance at their

employment, and decent work production sites will become for all

more resilient to the challenges ahead. Resilient companies are the businesses and employers of the future.

#9 Build resilient infrastructure, promote inclusive and sustainable industrialisation, and foster innovation

Providing supply chains anywhere access to expert advice and practical support in becoming more resilient, this is what BEPI aims for.

#11 Make cities and human settlements inclusive, safe, resilient and sustainable

Rewarding supply chains which reach out to stakeholders beyond their production site premises, to work together in managing environmental impacts.

#12 Ensure sustainable consumption and production patterns

Improved environmental performance in supply chains across the globe will advance and support more sustainable products.

#13 Take urgent action to combat

Energy consumption and climate change and its impacts GEG-emissions reduction are part and parcel of BEPI and the partnerships it endeavours to build.

#14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development

BEPI can help companies manage their scope 3 CO2e emissions, and map land use or biodiversity risks in their supply chain.

#15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification and halt and reverse land degradation, and halt biodiversity loss

Identifying relevant industries which may have an impact on land use and biodiversity and focusing their efforts on addressing these impacts.

#17 Strengthen the means of implementation and revitalise the global partnership for sustainable development

We cannot do this alone. We are not alone. Joining efforts with other organisations and initiatives is what BEPI strives for.

Inside BEPI

Successful Roll-Out of BEPI Producer Workshops in China

On the 26 and 29 October 2015, two BEPI producer workshops were held in in Shanghai and Shenzhen, China welcoming around 40 FTA members and their producers. The workshops were designed to introduce participants to the BEPI system, services and provide



practical implementation. Environmental experts led the workshops including Anouschka Jansen from the BEPI team along with environmental consultants <u>AECOM China</u> and <u>ESD China Ltd</u>.

The workshops gave specific attention to the widely-accepted <u>GSCP Environmental Module</u> framework on which the BEPI system is based along with practical insight into the BEPI improvement phase for attendees to better understand the value it brings to producers. As explained by one of the consultants: "by doing BEPI, producers can improve their management of legal requirements, and thereby reduce the risk and cost of being fined for non-compliance, which may also impact their reputation. The Chinese government is ramping up its enforcement efforts and it is therefore important that producers prepare now for tomorrow."

In addition, an exclusive two hour training on Chemicals and Water were offered; the two top environmental issues in China's agenda. Delivered by the Environment, Health and Safety (EHS) Academy of the University of Nanjing and the Sun Yat-Sen University, the trainers outlined the context of these issues in the country, including a legislative overview of the new environmental protection law, and provided practical advice on what a producer can do to start tackling the issues to meet legal requirements.

These workshops offered an excellent forum for members and producers to gain better understanding of the support which can be provided. Attendees also welcomed the sessions and expressed their keenness to increase their collaboration with other companies through BEPI to truly scale and achieve impact.

FTA Co-Hosts Cleaner Production for Sustainable Supply Chain Seminar in China

On 12 November 2015, FTA and Hong Kong Productivity Council (HKPC) – an organisation assisting Hong Kong business sectors - jointly held a seminar under the title 'Cleaner Production in Sustainable Supply Chains' to share the importance of environmental performance and for the introduction of a Cleaner Production Partnership



<u>Programme</u>. The workshop was attended by more than 30 business representatives including FTA members, producers and other stakeholders.

Cleaner Production Partnership Programme was set up in 2008 by the Environmental Protection Department of Hong Kong SAR (EPD) with the Economic and Information Commission of Guangdong Province to encourage and facilitate Hong Kong-owned factories in Guangdong and Hong Kong, it aims to adopt cleaner production (CP) technologies and practices. The programme is implemented by HKPC.

The workshop was presented by a series of experts including Joyce Chau, FTA Representative China, who provided an overview of European market environmental requirements and took BEPI as an example of how to facilitate supply chain partners to reinforce their environmental performance. Ms. Selina Yu from Novi Footwear, an FTA member also shared her valuable experience and company policy in monitoring producers' environmental risks. Three HKPC consultants also presented the latest cleaner production technologies and Cleaner Production Partnership Programme funding scheme to the attendees.

In addition,FTA conducted a brief onsite survey to capture attendees' general awareness about the importance of environmental performance in water and chemicals use in the business. Their top environmental areas are wastewater effluent, pollution prevention and chemical, emissions to air and waste management.

BEPI Revises and Enhances Assessment Practices

Since its successful launch in China earlier this year, BEPI has received feedback from BEPI participants and producers that support the initiative in developing in a way that best positions participants and producers to continue enhancing environmental performance. With this in mind, particular feedback



was received regarding the duration of the BEPI Assessment and how it is defined.

Following this feedback, BEPI has established a **revision of the BEPI assessment duration** which will provide the following benefits to participants, producers and assessors:

- An effective assessment process
- Assessment quality, due to targeted assessment
- Increased participation
- Enhanced visibility of the assessment duration structure.

The assessment duration structure will be based on the BEPI Performance Level targeted by the participant and/or the producer when scheduling the assessment. The following therefore applies since August 2015:

TARGET PERFORMANCE LEVEL

(defined by the participant and/or producer)

- 1. Minimum Practice
- 2. Good Practice

ASSESSMENT DURATION

(man days)

- 1 day
- 2 days

The above is applicable for the five Environmental Performance Areas (EPAs), one of which is the mandatory Environmental Management System (EMS) area. It is important to note that travel time, lunch breaks and breaks are not included in the table. The process by which the assessments are scheduled will not change, however, as part of this process the participant and/or producer will specify to the assessing company the 'Target Performance Level' – i.e. Level 1, 2 or 3 – required for the assessment.

When a target performance level is specified for the assessment, this does not guarantee or assume that this level will be achieved. If the minimum performance Level 1 is not achieved, a re-assessment is required to achieve a BEPI performance level. This revision will strengthen the BEPI framework as the initiative continues to grow over the foreseeable future.

FTA Reach Seminar: Communicating Chemicals in the Supply Chain

The 9th FTA seminar on REACH and Regulatory Compliance took place in Brussels on 22 September 2015. Experts in the field shared practical advice on how to improve supply chain communication along with updates on EU chemicals legislation and product-related rules.



The morning session explored on a practical level, the challenges, new approaches and solutions with experts in the field, including **Anouschka Jansen**, BEPI Environmental Specialist, **Szilárd Szarvas**, Senior Environmental Health and Safety Manager at Levi Strauss & Co. and **Rémi Lefèvre** from the European Chemicals Agency (ECHA). Szilárd Szarvas offered insight on how Levi Strauss & Co. works with REACH in the company as well as in the supply chain, while Rémi Lefèvre provided an overview of ECHA's approach and work in the area of Substances in Articles and how this concerns supply chain communication. ECHA has recently published a useful guide <u>Chemical Safety in your Business - An Introduction for SMEs</u>.

The afternoon discussion was moderated by **Dr. Pierre Gröning**, FTA Head of International Trade Policy, who presented ongoing developments of the EU regulatory framework. Specific attention was given to the recent REACH 0.1% ruling which will require importers to significantly enhance communication of the use of substance of very high concern (SVHC) in the supply chain as well as the upcoming REACH review and the implementation of the biocides regulation. Regulatory issues beyond chemicals, such as timber, conflict minerals, product safety and toys, were also under debate.

Throughout the day there was a rich exchange of challenges and what could be solutions between the attendees and speakers. If you are interested in attending a future FTA seminar or conference, please express your interest by contacting Heather Kiggins, Events Officer at heather.kiggins@fta-intl.org.

FTA Co-Hosts Biodiversity Protection and Sustainable Development Seminar in China

On 17 November 2015, FTA and China WTO Tribune jointly held a seminar under the title 'Biodiversity Protection and Sustainable Development' to further improve the decision makers' awareness of biodiversity protection and enhance their practices in China with reference to UN and European and national quidance.



Speakers included representatives from the government and the business sector, who offered an update on the current issues discussed at the <u>CBD Business & Biodiversity Forum 2015</u> held in Helsinki on 11-12 November, and advised on the latest China policy of biodiversity for sustainable development. Attendees also learned different approaches to set up a biodiversity management system within a company and useful information disclosure tools through the sharing of various business cases.

Joyce Chau, FTA China Representative, provided the audience with an update of EU's biodiversity strategy and presented BEPI as an example of how the initiative may help small and medium enterprises to excel in their environmental performance and work with their European partners to protect biodiversity.

To wrap up the workshop, a panel discussion was held to explore the 'Challenges and Opportunities of Biodiversity for Sustainable Development', where the importance of business sectors to work across supply chains to address the challenges and reap the opportunities was underscored.

Around 40 business representatives including FTA members, producers and other stakeholders attended the seminar, in which participating companies received a certificate to recognise their involvement and support in the seminar.

Environmental News

BEPI Welcomes Study on World Pollution

BEPI welcomes a study recently published by the Swiss Green Cross and international NGO Pure Earth, <u>The 2015</u> World's Worst Pollution Problems, which updates the list of the top six toxic threats nowadays. According to this report, the six pollutants, lead, radionuclides, mercury, chromium, pesticides and cadmium, continue to



threaten the health of 95 million people worldwide.

The study considers the direct impact on the environment through contamination of land, water and air, and the impact on human health by exposure to the pollutants via inhalation or ingestion. While lead occurs naturally in the environment, it contaminates the environment by release during mining, smelting and lead-recycling processes. Exposure happens through inhalation of contaminated dust, ingestion of contaminated soil, water or food and can cause an array of health problems.

Chromium VI, one of the eleventh chemical groups <u>Greenpeace has included in its Detox campaign</u>, is a result of industrial processes such as leather tanning, and may cause serious health problems. Pesticides, on the other hand, are generally used to protect crops by eliminating pests or control disease vectors in agriculture. They are released into the environment as it washes away by rainfall into surface and groundwater, increasing potential exposure to local and more distant communities.

Some of these pollutants can be present in processes at different manufacturing stages of the supply chain. Managing these risks is a challenge for businesses and reinforcing the fundaments should be the first step to tackle. BEPI is designed to support companies manage the environmental performance of their supply chain. With a strong focus on environmental management systems approach and capacity building activities, it aims to provide companies with a better understanding of where risks lie in their supply chain, and offers a framework whereby a team of experts support producers in enhancing their environmental performance in ar

FTA is currently looking for...

- Social System Officer
- Application Manager

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).

To share your feedback, contact bepi@fta-intl.org

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