Building our Network

amfori Local Networks Report 2017-2018
About amfori

amfori is the leading global business association for open and sustainable trade. We empower over 2,000 companies to become successful, sustainable businesses by helping them monitor and improve the social and environmental performance of their supply chain, and by engaging locally and globally to help shape a policy environment that enables them to operate efficiently and sustainably.

2,209 members from

42 different countries across

4 continents

Representing

€1.6 trillion

in turnover

Key:

- amfori members
- amfori Local Networks and Network Representatives
Dear readers,

We’ve been ramping up our activities over the past year. For a global organisation like amfori this has meant utilising our network of satellite offices to make sure those activities are having the highest possible impact in the places it’s needed most.

Our global network has evolved since the launch of amfori. It was previously divided between National Contact Groups (NCGs) and FTA Representatives. Now, all of our satellite offices are known as Local Networks and are headed by amfori Representatives. This transformation was a key component of our Vision 2030 Strategy, bringing about greater integration of our work all over the world and bringing our members closer to the operations of their business partners.

Over the past four decades our membership has grown and diversified and will continue to do so in the coming years. We expect to see growth by industry and geography. Aligning the work of former FTA Representatives and NCG Coordinators into amfori Representatives will enable us to drive change at scale, whilst improving our support to members at a local and regional level.

Our Network will continue growing to meet our members’ needs. In June, 2018, we appointed a new Representative in Latin America and will shortly be adding representation in Australia.

amfori is building our vision for the future, putting ideas into action across the globe; improving audit integrity, advocating on behalf of businesses and the workers who make them tick, training managers on responsible recruitment, guiding companies on regulatory compliance, and much more. Our Local Networks have become an indispensible factor in ensuring that these activities are successfully executed at a local level. All amfori Representatives are adept at giving introductory training on amfori BSCI and amfori BEPI. And in key sourcing countries like Bangladesh, China and India we have strengthened Local Network teams to provide greater support.

In the last annual Network Activity Report we spoke about the new offices we established in six different locations around the world. In this report, you’ll find out about how each of those Local Networks is developing. You’ll also learn about the great work our more established Local Networks have been involved in to help our members and their business partners trade with purpose.

Tino Zeiske

Christian Ewert
amfori Local Networks: what's changed?

At the beginning of 2018, we restructured and renamed our global network. These changes came as part of our Vision 2030 Strategy and the rebranding process that our association underwent in late 2017, resulting in the launch of amfori in January 2018. What was formerly known as the FTA Network is now called amfori Local Networks. Local Networks have replaced the former National Contact Groups (NCGs), and amfori Representatives have replaced NCG Coordinators and FTA Representatives.

We currently have 13 Local Networks that each provide a platform for members to exchange views and insights from a local perspective, discuss current challenges and receive tailored support in their language.

For more information on the associations transformation from the Foreign Trade Association to amfori, please see amfori’s 2017/18 Annual Report or access the amfori website at: www.amfori.org

Network Committees

At amfori’s General Assembly in June 2017, our members voted in new by-laws and a renewed governance structure. Both were the result of a combined effort between the FTA Vision 2030 Taskforce, FTA Board and BSCI Steering committee.

The renewed governance structure foresaw the creation of Network Committees. In March 2018, the first five Network Committees were established respectively in Finland, France, Germany, Spain and Switzerland.

Network Committees are a new addition to amfori’s governance structure, a reflection of our Network’s increasing importance. They are composed of member representatives who share our vision of Trade with Purpose and wish to further support amfori activities in their region.

Committees will identify relevant topics for discussion and country-specific undertakings. They will also provide non-binding strategic and/or operational guidance on issues relating to open and sustainable trade; and act as go-betweens, communicating information and key messages from the amfori Secretariat to members and vice versa.

Our governance structure
Bangladesh

Increasing our presence in Bangladesh
Bangladesh is a top-three producer country for amfori members. In 2017, we opened a new office in Dhaka and appointed two new team members, Saiful Millat as amfori Representative Bangladesh and Saiham Chowdhury as Capacity Building Coordinator Bangladesh. Both join Daniel Seidl, amfori’s Senior Adviser in Bangladesh.

First-ever Network Connect in Bangladesh
The first ever Network Connect in Bangladesh took place on 26 April 2018, bringing together member representatives, producers and stakeholders in the region. It was a chance for Millat to formally introduce himself and give a comprehensive overview of amfori’s work.

Denmark

New Representative, New Chair
Gry Montiel became the new Danish Network Representative in September 2017. Mrs Montiel has worked for amfori member Dansk Supermarked Group for 16 years, as well as serving as Chair for the Danish Network, and is therefore thoroughly acquainted with amfori BSCI.

The number of Danish members is slowly growing and now covers the majority of grocery retailers (based on market share). What’s more, by end of 2017, the Danish Network was the most engaged of all, with more then 80% of members active.
Finland

Finnish members boasted impressive levels of engagement of around 70% throughout 2017/18. Marja Aho, Sustainability Manager at Alko Oy, was appointed Chair in September and the Local Network has since held three Network Connect meetings.

In October 2017, Finnish amfori Board Member, Lea Rankinen, Senior Vice President, Sustainability and CSR at the SOK Corporation was listed by the Nordic Business Forum as one of the top 20 Responsible Leaders in Northern Europe.

France

Building relations with Plateforme RSE and the French NCP

In 2017, the French Local Network engaged Plateforme RSE, France’s official think tank for gathering NGOs, employers’ organisations, experts and government officials on all CSR-related subjects. Mr Bon-Maury, Platforme RSE’s General Secretary, was a speaker at the French Network Connect meeting in October 2017, where he explained the platform and gave recommendations relating to the French law on Devoir de Vigilance (due diligence). Though amfori is not an official member of the platform, we may be able to participate in the coming years as the only association representing companies on matters of responsible supply chains.

She presented the role and mission of the French NCP as well as the OECD Guidelines for the Textile and shoes sector.

Another influential speaker who attended the French Network Connect in October was Maylis Souque, General Secretary of the French Point de Contact National (National Contact Point).

National Contact Points (NCPs)

NCPs are national structures established and financed by governments of the 28 EU member states and the states associated with Horizon 2020, the EU framework programme for research and innovation. NCPs give personalised support on the spot and in applicants’ own languages. The NCP systems can vary from one country to another from highly centralised to decentralised networks, and a number of very different actors, from ministries to universities, research centres and special agencies to private consulting companies.

Loi Sapin II and Due Diligence Law taking effect

The two laws passed in 2017 are having a large impact on all transnational companies operating in France. In response, major companies are strengthening their existing CSR management systems and adapting their purchasing and quality policies and procedures. They are requesting more efforts from their suppliers, even if not directly concerned by the law scope of application, in terms of visibility and CSR risk management. These changes have made becoming an amfori member an even more pertinent for companies wishing to comply with these new frameworks.
Germany

**Network Committee**
The newly appointed German Network Committee will guide the work and meetings of the German Network. On 10 April, at the first German Network Connect, Claudia Landgraf, CSR Manager at Tom Tailor, was elected Network Chair and Janina Deller, CSR Manager at Olymp, was elected vice-Chair.

**More members, more support**
Germany is home to the largest number of amfori members. To support them, Jannika Franke joined the team in April 2018 as our dedicated German membership officer. She is responsible for helping new members get started with amfori’s sustainability initiatives and responding to any issues they might have along the way.

**PST and Dutch Covenant partnership**
Key areas for the German government in the year ahead will remain the National Action Plan for Business and Human Rights and the Partnership for Sustainable Textiles (PST). The PST signed an MoU with the Dutch Covenant for Sustainable Textiles in January 2018, with the aim being to harmonise sustainability requirements and bring member companies together to work on joint projects that improve working conditions. In 2018, the government will monitor to which extent large companies are actually reporting on their human rights due diligence, which could later serve as an element in determining potential legal action. However, such processes are usually lengthy and it’s too early to tell if future changes will affect the way in which amfori members operate.

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Engaging with the PST and promoting amfori’s work

I joined a number of different Working Groups of the PST throughout 2017. Currently, amfori is looking into ways of shape its future relation with PST, which is overseen by the Ministry of Economic Cooperation and Development. I have also engaged in a consultancy process for future societal topics and scenarios sponsored by the Ministry of Science and Research and introduced amfori’s work in a round table meeting at the Ministry of Food and Agriculture. This engagement will help support amfori members in their efforts to comply with their obligations.

Lorenz Berzau, amfori Network Representative Germany
New office, new team members
Between August and October 2017, the amfori Greater China team took on three new team members: an Auditing Coordinator, Maggie Ho, an Auditing Officer, Eunice Cheung, and an Advocacy and Trade Affairs Manager, Chloe Deng. The team, which now totals at seven, is more prepared than ever to support members across the full range of amfori services from their new Hong Kong office.

Partnerships that extend our reach
On 14 June, at our Unleash Opportunity conference 2017, we announced two Memorandums of Understanding (MoUs): one with the Importers and Exporters Association of Taipei (IEAT) and another with the China Federation of Industrial Economics (CFIE). The partnership with IEAT will boost collaboration between European and Taiwanese SMEs by utilising the collective leverage of over 8,000 members. It will help create ties between buyers and producers, opening access to markets and increasing the impact of sustainable trade. The MoU with the CFIE will extend our influence by giving access to CFIE’s network of more than 2.3 million members companies.

Promoting our Vision: business and SDGs
Joyce Chau, amfori Representative Greater China, spoke about embedding the UN Sustainable Development Goals (SDGs) into business at the CSR Asia Summit held on 26 September 2017 in Bangkok. amfori’s Vision 2030 Strategy is built around five objectives, the fifth of which is to help our members contribute to the SDGs. Joyce told attendees how, through our three products amfori BSCI, amfori BEPI and amfori Advocacy, we are encouraging global collaboration towards tackling trade and sustainability issues holistically. She also encouraged the 450 business leaders in attendance to cascade their influence and motivate their supply chain partners to work together towards the same goals.

Reacting quickly to regulatory compliance
In 2017, China got serious about enforcing its Environmental Protection Law. In November 2017, the responsible ministry reported 40,000 enterprises in the Beijing-Tianjin-Hebei region to be in violation of regulations. In the weeks that followed, amfori reacted by holding five workshops across China to train members and producers on regulatory compliance. As well as contributing to a webinar and guidance document on the matter, the team in Hong Kong have provided regular updates on the situation and is continue to guide members on the new Environmental Protection Tax Law (EPT Law), introduced at the beginning of 2018, and the new Standardisation Law, introduced in November 2017.

EUCCC
During a recent visit to China, amfori Director General Christian Ewert and Adam Dunnett, Secretary-General of the European Union Chamber of Commerce of China (EUCCC), met to sign an MoU that will see our organisations:
- Promote sustainable trade and economic cooperation between EU and China
- Inform each other on trade issues and market information
- Explore joint research on public policy
- Share relevant services provided by both organisations
- Facilitate the collaboration between small and medium-sized enterprises in the two regions

amfori was the first global organisation invited to join the Belt & Road Industrial & Commercial Alliance (BRICA), a platform which brings international cooperation to a new level and drives information interconnectivity, industrial investment and trade cooperation across the Belt and Road countries.

Network Representative: Joyce Chau
Number of members: 62
Producers: 37667
Website: http://cn.amfori.org

amfori Representative Joyce Chau and amfori Director General Christian Ewert open the new office in Hong Kong
India

Network Representative: Natasha Mehta Majumdar

Number of members: 0
Number of producers: 3,153

Preventing sexual harassment in supply chains
On 10 August 2017, the Indian Local Network co-hosted a producer forum with the Fair Wear Foundation (FWF). The event, titled 'Preventing sexual harassment in supply chains' provided information to our respective members about the legal implications and effective implementation of the Sexual Harassment of Women at Workplace Act (2013).

A day later, a stakeholder consultation on protecting the rights of women workers was held in New Delhi. The 30 members and stakeholders in attendance learned about the work amfori is doing to prevent sexual harassment and promote women’s rights in supply chains. They were also introduced to the legal landscape, including an overview of the Sexual Harassment of Women at Workplace Act (2013). Consultations like this one help mobilise collective ideas about how to best protect the rights of women workers in India.

Goods and Services Tax (GST)
On 1 July 2017, the Goods and Services Tax (GST) took effect in India. The GST reform is the largest restructuring of a tax system ever undertaken, aiming to simplify and facilitate tax collection and payments from a myriad of taxes at central, state and sub-state levels in India. However, there are still many ambiguities on how the GST will roll out and its impact on producers and traders.

In order to assist members and producers who were impacted by these uncertainties, amfori organised a webinar on Thursday, 12 October in order to explain the basics of the new GST answer any of their questions.

"The amfori Local Network India has gained tremendous momentum in the last 2 years and created a good regional platform for all stakeholders. The extended training offer, the regular amfori Member Network Connect meetings and on-the-spot contact point for our operational concerns are a great help to us in implementing amfori BSCI with our suppliers in India.

Adrian Bahnerth, Head of Department Sustainability & Quality Assurance, Migros"
Engaging with the Dutch Ministry of Foreign Affairs
Across 2017/18, the Dutch Local Network has been working diligently alongside the amfori Advocacy team to enhance relations with the Dutch Ministry of Foreign Affairs. amfori is now considered one of the key partners in the field of sustainability, human rights and social compliance. Topics at the centre of discussions are due diligence and living wage. amfori has been recognised as a key player in creating leverage with both business and producers in performing due diligence and as part of the areas for improvement, such as living wage.

Members making due diligence progress
In the past year the Dutch Local Network witnessed noticeable improvements in Dutch members’ general knowledge of supply chain issues and their confidence in performing due diligence. Members are actively seeking even more in-depth preparation for their sourcing trips through workshop participation. Their goal: ensuring they have level and open dialogue with their business partners on accelerating the sustainable improvement of their supply chains.

Supporting members: the Dutch Agreement on Sustainable Garment and Textiles
amfori and over 20 of our members are signatories of the Dutch Agreement on Sustainable Garments and Textiles, or, as it’s also known, the Dutch Covenant. The Dutch Local Network has closely engaged with the stakeholders involved in the agreement, such as Solidaridad, the India Committee of The Netherlands, the Dutch Ministry of Foreign Affairs and the three key retail associations VGT, Inretail and Modint. The Agreement is now developing a closer co-operation with the German Partnership for Sustainable Textiles, which will benefit Dutch and German companies.

Government offers structure but not legislation
The Dutch government is establishing agreements with various sectors but stopping short of actual legislation for businesses. In addition to the Dutch Covenant, similar agreements on sustainable forestry, gold, banking, natural stone and vegetable protein exist. Other manufacturing related sectors that are expected to soon establish an agreement are the food industry, metallurgy and floriculture. A number of existing amfori members are currently involved in the negotiations and the Dutch Local Network is following these developments closely in order to support members when and where necessary.

Questions are arising as to why the shoe sector is not included in the existing Dutch Covenant. Together with retail associations VGT, Inretail and Modint, the Dutch Local Network is looking to prepare the shoe sector for more government scrutiny with regards to sustainability improvements.
Network Committee
The Spanish Network Committee was established in March 2018. The committee is composed of three Spanish amfori members represented by: Victoria Sánchez, Head of Corporate Social Responsibility & Communication at Luis Calvo Sanz, Delia García, CSR Manager at El Corte Inglés, and Laura Guiu, Social compliance Coordinator at Mango.

First-ever training sessions in Spanish
Offering training in the local language is key to boosting participation and engagement. 2018 marked the first year in which amfori began giving training sessions in Spanish. On 7 March and 19 April, we held sessions in Barcelona and Madrid respectively. Both sessions introduced amfori and amfori BSCI, giving members all the need-to-know information to get them started in implementing amfori BSCI.

Sustainability in the value chain: join amfori-Forética event
In June 2017, amfori and our partner Forética organised a joint event in Madrid, bringing together more than 75 Spanish retailers and brands to address sustainability issues in supply chains and discuss how to generate opportunities for individuals and businesses through responsible trade. Attendees heard from auditing firm SGS, public corporation, ICEX Spain Trade and Investment, and business representatives from El Corte Inglés, Codorniu and Grupo Calvo. They discussed the barriers, drivers and recommendations for improving and implementing management systems for sustainable supply chains.

Spanish Government takes action on business and human rights
In July 2017, the Spanish Government approved the Spanish National Action Plan on Business and Human Rights. The plan seeks to apply the United Nations Guiding Principles on Business and Human Rights at a national level. The government expects Spanish businesses to adopt, domestically and abroad, due diligence procedures to prevent abuses and mitigate any adverse impacts of their activity. We are currently working alongside Forética to publish a white paper on comparative legislation around the world. The paper will provide Spanish businesses with information on how to be compliant with human rights and recommendations and guidance for the Spanish Government about how to implement the plan in a practical way.

“2017 has been a very intense year of great advances in the CSR of Mango. First of all, I would highlight, among others, joining amfori. Collaboration with this partner is key as it contributes to greater control over our compliance with the MANGO Code of Conduct and to improve working conditions in our supply chain”.
Beatriz Bayo, CSR Manager, Mango speaking to Spanish sustainability publication Compromiso RSE
New Local Network Chair
In March 2018, Viveka Risberg, Programme Director at Axfoundation, was elected Chair of the Swedish Network.

Engaging the high engagers
Swedish members are among the best performing worldwide when it comes to fulfilling their commitments to amfori BSCI. In the past year, the Swedish Local Network held three very well attended Network Connects that had a range of topics on the agenda; amfori BEPI, audit integrity and amfori’s updated Advocacy offering.

Collaboration across Local Networks
In December 2017, Joyce Chau, amfori Representative China, and Daniel Seidl, amfori’s Senior Advisor in Bangladesh, presented their latest insights to Swedish members.

Government action on sustainability
In recent years, Sweden has increased the number of laws and directives pertaining to sustainability. The most important ones are:

- Sustainability reporting requirements for companies with +250 employees. This is stricter than the EU legislation (+500 employees)
- Increased individual protection for whistleblowers
- Stricter requirements on social conditions in public procurement
- Obligatory due diligence when dealing with minerals from conflict areas
100 and beyond!
Last year was the Swiss Local Network’s 10th anniversary, making it the oldest of all amfori Local Networks. Another landmark was surpassed at the end of 2017: amfori now has over 100 Swiss members!

Case studies to promote best practice
In 2011 we launched the Swiss Local Network website. Since then, members have been able to access amfori and Switzerland-specific news, tools and other information in German and French. In 2017, we added a new series of ‘Best practice’ articles that highlight ways in which companies have implemented amfori BSCI and the benefits they have seen since.

Event: collaboration and capacity building
On 4 December 2017, the Swiss Local Network held a public event with the International Labour Organization and Global Compact Network Switzerland (GCNS) in Basel. The focus of the event was capacity building and cooperation. In attendance were over 50 people from amfori member companies, non-governmental organisations such as Swiss Fair Trade and Swisscontact, and representatives from government institutions such as the Federal Office for the Environment (FOEN) and State Secretariat for Economic Affairs (SECO). Lively discussions brought a range of views to the fore, with a general consensus that improving supply chains’ sustainable performance is key to improving the overall sustainability of the planet.

Switzerland

Network Representative: Pierre Strub
Members: 101
Producers: 17
Network Chair: Juerg von Niederhäusern, Migros
http://ch.amfori.org

Responsible Business Initiative and Public Procurement Law subject to vote
Should it become law, the Responsible Business Initiative will oblige companies to incorporate respect for human rights and the environment in all their business activities. This mandatory due diligence will also be applied to Swiss-based companies’ activities abroad. A public vote on the Initiative will likely be held in late 2018 or early 2019.

The new Public Procurement Law, which will be voted on in parliament, will include a sustainability criteria, something the Swiss Local Network advocated for during the law’s stakeholder consultation process.
Regular meetings and first workshops for members
On top of the regular face-to-face meetings with amfori members’ local representatives, amfori Representative Muge Tuna also organised the first-ever member workshops in May, giving them a comprehensive overview of amfori’s work. It was concluded that such workshops and meetings would now be held every three months to keep members’ local staff in the know about updates and to support them with their individual challenges.

Capacity building: high producer workshop attendance
Muge reached out to producers in the last year by leading over 40 workshops. The high attendance numbers have caused a noticeable improvement in audit scores, something that will become more visible with the implementation of the amfori BSCI Commitment Formula in the second half of 2018.

Taking the lead on Syrian workers
On 18 October 2017, we partnered with the Business and Human Rights Resource Centre (BHRRC) and the International Trade Union Confederation (ITUC) at Oxford University to discuss the protection of the rights of Syrian refugees in Turkish supply chains. The event followed on from a guidance document released in 2016 and a chain of events we both hosted and attended about this on-going issue. Muge is now assessing the effectiveness of our guidance and events, looking into the current situation and working on a response to the present needs of our members’ producers.

New law on mandatory mediation for labour disputes
As of 1 January 2018, a new Turkish law came into effect introducing mandatory mediation before a lawsuit can be filed. Mediators are appointed from a registered mediators list to ensure impartiality. The main objective of this law is to resolve disputes within a shorter time period and with lower costs. Previously, an average lawsuit could last longer than two years. Under the new law, a case must be concluded in three weeks. In cases concerning dismissals, suppliers can be questioned concerning the training of their employees or be asked to review their amfori BSCI audit reports.
USA & Canada

1650% increase in US membership
The past year has seen a jump in the number of US and Canadian members, 1650% and 133% respectively. Most of the new members have never had a social responsibility programme before, so Kelli Hoggle, our representative in the region, has been bringing them up to speed on responsible business practices and their participation in amfori BSCI and amfori BEPI.

Training auditors in California
Kelli organised two training courses for auditors in late October and early November 2017, having identified the need for auditors in the North America region. Courses like this will prove beneficial in the year ahead as amfori builds upon its activity in the region and seeks to draw upon a pool of auditors who meet our quality requirements.

The changing climate of environmental protection
In Q3 of 2017, President Donald Trump withdrew the US from the Paris Climate Agreement, though this is not yet finalised and may not come to full fruition. Throughout Trump’s presidency thus far, the Environmental Protection Agency (EPA) has experienced many cutbacks and overturning of previous legislation set in place to protect the environment. In total, there are 67 rules that have been overturned or are in the process of being overturned.

2017 was GROW. 2018 is about ENGAGE. This year I am focusing on engaging with the members we have. This is the time to really educate amfori members about our services and get them excited about being a part of our association! We held our first Network Connect in May and will have another towards the end of the year.

Kelli Hoggle, amfori Network Representative USA & Canada
Join us.

Be part of the open and sustainable trade community. We have several membership options that enable you to choose from our services.

Go to amfori.org or contact us at info@amfori.org