

amfori BSCI System PG Call Minutes

9 September 2020 – Video Call

Attendant List

Attendant	Organisation
Annette Koch (AK)	Gerry Weber
Marius Lang (ML)	Migros
Sanni Martkainen (SM)	SOK
Hanna Sutherlin (HS)	Systembolaget
Marja Aho (MA)	Alko
Ehad Karacam (EK)	El Corte Ingles
Barbara Gregory (BG)	Walmart
Daniel Hungerford (DH)	ALDI South
Luisa Seifert (LS)	Otto Group
Rebecka Sancho	Hunkemoller
Tanya Todd	Canadian Tire Corporation
Yakut Oktay	amfori
Elif Kalan	amfori
Eric Gravier	amfori
Charline Daelman	amfori
Franzis Wimmer	amfori
Raymond Williams	amfori

Excused	Organisation
Eckhard Spanier	IB Company KG
Marc Hörburger	Walser Group

Below documents used and distributed:

[Presentation 9 September 2020](#)

[Agenda](#) 9 September 2020

Summary

The main agenda topics of this meeting are to review the concepts discussed in the prioritization exercise, to update the PG members on upcoming discussions on amfori BSCI System, such as Home-based Workers, Food Audit Methodology, Capacity Building Feedback process and to present the kick-off Subgroups' discussion plans.

Agenda Item	Capacity Building Feedback Update	Presenter	Raymond Williams
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Raymond from Capacity Building (CB) team introduced a questionnaire in order to see the needs of and understand user experience of amfori members as well as linked producers on amfori Academy. Hence the aim was to find ways how amfori can improve the CB offerings and increase its engagement with users. In order to prepare the PG members for this discussion a pre-read document has been sent prior to this call. Here is the [link](#).

For the beginning, Raymond had a quick introduction on the background of this feedback process and explained why amfori was working on this. It was explained that a thorough questionnaire would be sent out to the members after this call, which was sent out on 10 September.

Following discussion took place with the contributions of PG members, see below:

Questions/Comments

Question/Comment	Answer
<p>Question by amfori CB team: For you, what is the main point, or value proposition, of having training available? (member and producer training)</p> <ul style="list-style-type: none"> • Improvement for factories? • Informing yourself on how to work with amfori BSCI? • Learning from other members' experiences to improve your own approach? • Not much point or value to have this available • Another reason? 	<p><i>1st comment:</i> We use and do the trainings internally, such as we did the auditor training internally. But for e-learning trainings, we use them for factories on the areas where they have weak positions and conditions. We focus on the specific trainings that we want them to do. Yet, one of our problems is it is not mandatory. So, if the trainings would be mandatory, then we could have a better turn out.</p> <p><i>2nd comment:</i> We mostly look at the amfori Academy training content when we start our positions at work to understand the context and to speed up with amfori BSCI process and standards. Many of the content is not directly related to us as we don't assume any RSP holder position/status. Technical content is more relevant for suppliers. So, for us, it is more for us to upscale our own understanding about amfori BSCI.</p> <p><i>3rd comment:</i> It is a great value to have this platform, but we receive feedback from factories that the sign-in process is quite difficult. The registration is also problematic. When we want to onboard new colleagues and refer them amfori Academy Platform, it is even hard to find the basic BSCI trainings.</p> <p><i>4th comment:</i> We use the academy trainings in addition to our own training programs. It is not very intuitive platform. I am confused between the concepts of course and program; for instance,</p>

	<p>women empowerment course, you can delegate it to the factories, but it is not overviewed and placed into programs or courses.</p> <p><i>5th comment:</i> We have been using the trainings for understanding the amfori BSCI system and to be familiar with the tools on regular basis. I would like to see our producers use the trainings more often. But both of these means, I would like to see a really easy access, not complicated process so I think that would increase the participation rate. Signing in – to complete the process is the problem.</p>
<p>Question PG: Have you ever considered the trainings/courses not free of charge? It is stated by ILO, some time ago, that as soon as the training is not free of charge, the attendance rate goes up. Such as mosquito net case.</p>	<p>It is a very good point.</p> <p>We have some trainings that we do charge members and producers such as internal auditor training.</p> <p>For the producer's trainings, we are happy to discuss and follow up on this. So, we take this as a crucial note.</p>

Agenda Item	CoC Package – Discussion on Concepts	Presenter	Yakut Oktay and Elif Kalan
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In this session, Elif from amfori team introduced the results of the prioritization exercise and later Yakut facilitated the discussion with guiding questions to challenge the perceptions and positions of the members with an aim to create a consensus through considering all relevant aspects of the proposed concepts. [Presentation](#) with the results, please see the slides from #7 to #12. Below, please find the discussion that was held among PG members as well as the amfori team members who also contributed to the discussion and explained the current status and upcoming plans.

PG members voted and commented for the proposed concepts with 3 options; must have, good to have and can wait, please see slide #8. The following discussion took place in line with these options.

Questions/Comments

Question/Comment	Answer
<p>First discussion took place on the concepts with high agreement as to 'must have':</p> <p>Question: Do you see any surprises with the concepts here that you think we must</p>	<p>#1: It is not a surprise at all. In Germany by the government, these two issues (Human Rights-HRs-Due Diligence and Grievance Mechanism) are as mandatory regulation to track supply chain. So, if we don't cover them with amfori BSCI Code of Conduct then we are in trouble. So, we have to prove that we</p>

<p>have in the upcoming amfori BSCI CoC revision?</p> <p>High rate of agreement: Must-have – slide #10</p> <p>General discussion</p>	<p>have a working grievance mechanism and our risk assessment and business assessment are based on human rights risk assessment/approach.</p> <p>#2: Mandatory Human Rights Due Diligence Regulation is a good point to mention. I also think that big part of our due diligence is based on amfori BSCI and its practices, as we follow them. Therefore I would like these elements to be included into CoC. I see inclusion of these concepts is more about alignment of the language with UNGP: Expecting the due diligence processes from suppliers as well as members of amfori. So that would be very helpful if we have mandatory human rights due diligence regulation in Europe.</p> <p>#3: It is important to follow the spirit and language of UNGP. It is already very detailed. And moreover, it is especially working for German companies, HRs Due Diligence and Grievance Mechanism as well as State Imposed forced Labor (SIFL) have been very significant topics. Some of the concepts are also related to HRs in general as well.</p> <p>#4: It is so nice to agree all and it is not a surprise for me to see these topics have a must have agreement. And it is also in line with the regulations in Finland. But, the challenge will be about the coming up national legislations at the European level. So, here is a question for amfori, <i>how does amfori address the different regulations and legislations in this sense? How is amfori making sure that the tool considering these different national legislations? For Finland, NGOs are challenging us on this. What is the solution here?</i></p> <p>#5: About national legislations, I think it is important to note that the reference document is the UNGP.</p>
<p>An important challenge for us is as amfori we have members from so many countries which are also subject to different legislations, so CoC document should not contradict with the spirit of what we want to do as much as we want address everything. We are working on this.</p>	
<p>Must have: State Imposed Forced Labor (SIFL)</p>	<p>#1: It is very important and very current topic. But I am not sure whether there should be a specific content for it.</p>

<p>Question: If we add SIFL as a concept in our CoC how do you see that commitment in practice?</p>	<p>#2: It has been a trend topic. And it important to have the CoC reflecting these trends, yet we have been having some issues on this topic. So, I would like it to be identified in the CoC and in the auditing process. Then it is company to deal with its process</p> <p>#3: It is one form of bonded labor and it has been there and will be there, too. Practically, it is difficult to monitor and identify in the audit process. We should tackle that, to tackle it in the auditing process.</p> <p>#4: It can be added and should be identified under No Bonded Labor section.</p> <p>#5: It is a discussion here as well, how to handle the SIFL. So, if it is not mentioned in the CoC, it would be accepted. It is extremely difficult to monitor, track it but we need to have a strong statement on this topic. It may not solve the issue but strong statement means that we don't accept it.</p> <p>#6: I support that we should have a statement and yet we are aware of the fact that implementing would be extremely difficult.</p> <p>#7: It would need a clarification in the statement</p>
<p>Here, we see expectations on SIFL are aligned in the context of CoC.</p>	
<p>Must Have: Grievance Mechanism</p> <p>Question: We want the concept of Grievance Mechanism (GM) that we want it to have aligned with UNGP and hence it to be included. We would like to know more about how you see the linkage to supply chain GM that we want to release so, do you see a relevance to the CoC as an escalation point?</p>	
<p>Question PG: What is the difference between Supply Chain GM (SCGM) and this operational GM (OGM)?</p>	<p>amfori: The GM that we mention in the COC is the operational GM which is contained within the factory at the local level. Whereas the SCGM is about cascading complaints to a higher level when the operational GM is inexistent or does not function properly. Currently, the SCGM is being created so there is no mention in the CoC.</p>
<p>So, Supply Chain GM is the one for workers in the facility.</p>	<p>Yes, indeed, for workers and communities living in close proximity of the facility</p>
<p>amfori S&I team-Charline explains the supply chain GM as a complementary process to the operational GM at the local level.</p>	

<p>Question PG: Who would be the main actors, stakeholders of the Supply chain GM, as the ones who would lead and deal with the issues that are escalated?</p>	<p>amfori team: For now, the target audience of supply chain GM is the workers and impacted communities. For grievances related to the RRP Guidelines in times of COVID-19, the main target audience will be the producers. The amfori Secretariat will support our members in dealing with the received grievances.</p> <p>We are still working on this, so more detailed information will be shared in the future (dedicated webinar).</p>
<p>Question PG: What would be the point of adding Supply chain GM into CoC? Does it mean that do we require the producers to submit or report their grievances or so?</p>	<p>amfori team: That is correct. We already require the amfori BSCI participants to have an operational level GM; but there seems a need to make it explicit and be aligned with the language of the UNGP.</p>
<p>Question PG: So, would it be then if operational GM doesn't help the workers, then they can take it up to supply chain GM, so to buyers companies and amfori, is this correct?</p>	<p>amfori team: Yes. It is important to emphasize that in addition to alignment with the UNGP, the effectiveness criteria also apply to operational GM and it should meet these criteria.</p> <p>ARP III – OHCHR Accountability and Remedy Project III: Enhancing effectiveness of non-State-based grievance mechanisms in cases of business-related human rights abuse is just published. The report is available here.</p> <p>So, we want to make sure that both OGMs and the SCGM are functioning according to these criteria and effective as a result The more that we strengthen the OGMs, the less cases will have to cascade to the SCGM.</p>
<p>Agreement on following points:</p> <p>There is a need of changing the language of how we introduce the operational GM in the CoC.</p> <p>When we start drafting of the next CoC, we will seek to make some form of linkage to a higher access of remedy.</p>	
<p>Good to Have : Animal Welfare</p>	<p>#1 National legislation in Switzerland is quite strict on animal welfare. So we follow this legislation. Yet, there are different levels of legislation on this concept. There is no UN regulation or so. I would suggest not to integrate into the CoC.</p>
<p>Question PG: So, is it really a big issue for all the members or just a concept mentioned by few members? How is it relevant to amfori BSCI current audit</p>	<p>amfori team: Yes, indeed. The agriculture audit of amfori BSCI is not designed for animal farms but rather for fresh fruits and vegetables and flowers. So, it is like fraction of a fraction. The Food PG was asked</p>

<p>level which doesn't cover farm or this level yet?</p>	<p>to vote for prioritize their strategy, meat industry is not the biggest priority for now.</p> <p>This is more wish-list, for the future process.</p>
<p>Good to Have: Organizational Culture</p> <p>Organizational Culture is something we look at in the audit quality programme. It is more about auditing company and it has been quite challenging, too.</p>	<p>#1: It is a good concept, but we need to clarify it specifically.</p> <p>#2: There are differences in the culture of organizations so this concept needs to be elaborated in terms of what it can entail and how it can bring guidance for the members.</p> <p>#3: How do you measure this concept? Either you have it as a culture, or they are not aligned. So, it would be a difficult concept to measure then.</p>
<p>No Consensus: From Fair Remuneration (FR) to Living Wage (LW)</p>	<p>#1 I think, amfori uses the concept of LW quite often in many recent documents. Why so?</p> <p>I would support to use this wording in the CoC. Fair remuneration is somewhat confusing, and I understand LW is also not clear sometimes, but I prefer LW.</p>
<p>amfori teams: LW position paper was a choice and intentional. We had consulted you, the PG members on this and there was a general understanding that there is a need to clarify what our position on LW and what we intent to do about it. So, the document came as a response. It was also a response to some misconception of fair remuneration and to some critics on we need to push for more clarification.</p> <p>In the revision of the CoC and the System Manual, and specifically the concept of fair remuneration have been agreed by this PG as to way forward.</p> <p>Question: What exactly you had in mind when you agreed to propose also tackling this topic as part of the system revision?</p>	<p>#1 This was already agreed topic within our group. I was quite surprised as this was still on the No clear consensus.</p> <p>#2 This result reflects the discussion and struggling between us in our minds that we know we want it to change LW but at the same time it is very hard. FR is a realistic target, and I see the results reflecting this discussion. To start with, it is important to emphasize that the CoC is a statement paper and processes and actions to these targets are different topics. If it is a statement paper, we have to have a LW there. If it is operational, we should keep FR. In my opinion, the CoC is a statement paper that with target we want to achieve in 2, 5 or 10 years. I think this is not 100% clear to us.</p>
<p>Response from amfori: Just to have a clear understanding, does it mean integrating LW into amfori CoC and SM that LW is required getting certain ratings? Is this correct?</p> <p>amfori team: My understanding is that, no it doesn't mean. At this point, our aim is to align with global standards and closing the gaps on the way to LW.</p>	<p>#1 Yes, it is not clear to me.</p> <p>We must be very careful that CoC should include the targets we want to achieve-high levels.</p> <p>#2 LW concept is beyond compliance but where you create an added value. I think it was the discussion before and we need to think about our intentions in changing the concepts in the documents such as CoC: what is aspirational, what is intention and position.</p>

<p>The PG agrees on we need to start talking about LW. Even if it doesn't bring any change in the title of the concept, fair remuneration, what we need to talk about it and mention it in the CoC.</p> <p>Question: What is the general feeling of whether it should be the change in the concept as such, FR change to LW or whether LW should be part of the FR and clearly mentioned in the questions of the PA?</p> <p>amfori team: We will take your comments and bring it to discussion again and you will be able to make comments.</p>	<p>#1 It is important for us, companies to be clear that we are not committing to abiding by LW benchmark when we change it. That was the main concern.</p> <p>#2 I agree with the last comment.</p>
<p>No consensus: Dormitories</p> <p>Question PG: To clarify what the intent is here, so to understand the concept of dormitory.</p>	<p>amfori: From what we see/understand from feedback, dormitories are under occupational health and safety (OHS) and we don't explicitly mention about it in the CoC. So, it was more about to make it more explicit content on the dormitories.</p> <p>#1 Anything applies to the factories should be applied to dormitories with health and safety. But there is an element. And under the concept of Vulnerable Workers, these elements can be mentioned there. So, in the CoC, those elements can be there.</p> <p>#2 It would be valuable to mention it explicitly within OHS.</p> <p>#3 Language is also important. Dormitories are often managed and owned by the agent. We can't ignore the dormitories that are in that situation.</p> <p>#4 Dormitories is very relevant also with SIFL. It is relevant, not as a separate title but more visibility is needed. It can be integrated through holistic approach.</p> <p>#5 We also have dormitories in the agriculture sector. They might look slightly different but not so different. So that should not be lost and need to be integrated in other fields.</p>
<p>No consensus: Environment</p> <p>The PG welcomed Eric, the lead of amfori Environmental, amfori BEPI Programmes.</p>	<p>#1 What is exactly adding a new environment chapter?</p> <p>I think it is there, but we can make some parts stronger, especially agriculture sector related content</p>

<p>What are your comments on this concept?</p> <p>Review of feedback – We would like to hear you feedback on environment within BSCI?</p>	<p>can be improved. But for now, I would say keep it as it is now.</p> <p>#2 For me, the concept itself, we already have a PA. So, in order to make a distinction between amfori BSCI and BEPI, I would look at it through compliance view. Everything beyond compliance, it is more the area of amfori BEPI.</p>
<p>Question PG: Even though environment as an area is covered within BSCI, I haven't seen it is broadly reported? Maybe it is more about implementation.</p>	<p>amfori team: Most of the findings themselves are at the compliance level. Most of them are also about legal compliance, rather than case-based findings.</p> <p>#1 Since BEPI is not relevant for the agriculture sector, we think that it is important the environment as a concept is included in BSCI. But sometimes, it creates questions in terms of it is not very specifically structured or divided into sub-sections.</p>
<p>We see that environment, as a concept should be kept as the CoC is a high-level document, but when we continue with tools then we can talk about more agricultural tools in BSCI. For industry tools, they are included in BEPI.</p>	
<p>amfori BEPI Lead: It is part of our plan to extend our scope to the farms level.</p> <p>The end game of BEPI is to go beyond compliance but need to clarify that legal compliance is part of the BEPI's environmental assessment, one of the BEPI tools. It is one of the 3 core missions of the assessor to check regulatory compliance. The other 2 missions focus on action plans design and control to improve, by going beyond legal compliance.</p>	
<p>Question PG: Is there a possibility to write something into the CoC, such as the position of amfori BSCI on environmental compliance but this doesn't necessary to have followed in the audits rather to have a training on the Academy?</p>	<p>amfori: In the CoC we have aspirational goals, so we can explore how we can improve this part. Because the principles in the COC are the principles that our members committed to. So, if there is a commitment, we have to monitor. If there is also an NGO pressure or any case pops we need to show the data on it. I need to check this with legal person but if we can cover such issues within the aspirational goals then we might develop some tools (tools outside rating) but not monitor.</p>
<p>Proposal amfori BEPI Lead: We could develop a 1-page document to present</p>	<p>#1 If this is not too much effort. That would be good for future audits in the environmental processes.</p>

the linkages and explain potential overlaps and differences between amfori BSCI and BEPI. That would be useful.	
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It is shared that two items- country guidelines and working hours – have been forwarded to System Revision process. Moreover, recent updates on CoC Format Process also are also introduced. Plase see slides #13 and #14.

amfori team also informed the PG about the upcoming position paper on Home-based Workers which would be finalized soon and the inital pilot project would be introduced in the next meeting. Members are invited to join the pilot phase if they would like to contribute to. Paul Frisch from S&I team is the contact person for this pilot phase.

Agenda Item	Subgroups	Presenter	Elif
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Elif presented the list of participants for each sub-group. PG members once again are asked to finalize their options and if they like to change the sub-group. PG members will be communicated again. Also, the timeline for the overall revision process has been presented.

It is agreed that for sub-groups, amfori team will present the analysis of the feedback for the sections on Audit Methodology and System Manual. Previous doodle choices will be checked and meetings for subgroups will be organized accordingly.

Yakut also informed the PG about the upcoming Food PG Call which will be held on 22 September as there will be a session where members of audit methodology can be invited with interest. Also, members who would like to be informed on GRASP collaboration are kindly asked to send their interest to receive an invitation

Question/Comment	Answer
PG Member: Anette would like to support gender-lens as there are few people on this one. Daniel will also inform the amfori team.	Noted.

Agenda Item	Any Other Business (AOB)	Presenter	Yakut
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No other discussion took place, neither any critical decision is made.

Conclusion:

In conclusion, following actions as above mentioned will be taken up and amfori team will follow up them with the PG members:

- Next Call is scheduled on 13 October (16.00-18.00).

- amfori team will provide the agenda and work on feedback analysis for sub-groups
- amfori team to send out invitations of sub-group calls.
- Food PG call will be sent to interested members
- Information attached with contact persons details sent out to the PG members:
 - Food PG on 22 september, those who are interested in and are already in the auditing sub-group will be informed on their requests.
 - GRASP Collaboration: Anna from amfori at anna.stancher@amfori.org
 - Home-Based Workers: Paul from amfori at paul.frisch@amfori.org
 - Capacity Building Feedback: Raymond from at raymond.williams@amfori.org

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