We are amfori

amfori is a global business association that promotes sustainable trade, sustainable supply chains and sustainable business. We number over 2,400 importers, retailers and brand manufacturers, from over 40 countries and with a combined turnover of more than €1.5 trillion.
The COVID-19 pandemic has had a profound impact on everyone. While we strive for a degree of normality, the current Ukraine war not only affects people, lives and livelihoods, but also supply chains and businesses.

What we have learned is the need to prepare for disruptions now and in the future, focusing on business continuity and diversifying supply chains while becoming more agile and sustainable.

amfori’s team and service to our members were also put to the test and we came out stronger. We continue to support our members to improve corporate responsibility in their supply chains. We do this by providing tools and services that align with companies’ social and environmental due diligence obligations.

In 2021, the German Supply Chain Due Diligence Act was passed and will come into force on 1 January 2023, affecting companies and their supply chains also outside Europe. And with more European due diligence legislation to come in addition to sound due diligence process, more emphasis is put on grievance handling, transparency and top-level engagement and responsibility.

In 2021, we focused on the following key topics:

1. Human Rights Due Diligence, we strengthened the amfori BSCI Code of Conduct to ensure that it will meet the expectations of international frameworks, legislations, and stakeholders as well as to provide high-quality service to amfori BSCI members in their due diligence monitoring.

2. Environmental Due Diligence: with amfori BEPI 2.0, we have incorporated identification and mitigation of environmental risks and have begun integrating them into the new amfori Sustainability Platform.

3. Grievance Supply Chain Mechanism: the pilot of our “Speak for Change” programme was launched in Vietnam in cooperation with business partners, stakeholders, and members.

4. Reporting & Insights: in 2021, amfori further improved its data reporting to enable optimal management of members’ supply chain information. This is done via three dashboards: the ‘Know Your Supply Chain’, BSCI, and Sustainability Performance dashboards.

The actions and activities launched in 2021 have laid a solid foundation to be your dedicated partner in driving corporate responsibility in your global supply chain. The entire amfori team is ready to further support you worldwide.

In 2022 we further improve our tools and services to enable our members to carry out their due diligence duties.

In 2022, the entire amfori team will further support you worldwide.

Yours sincerely.
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Profile of our members

2,400 members

from 48 countries

€1.6 trillion turnover

Top 5 member countries
- Germany (762)
- Netherlands (366)
- France (163)
- Denmark (142)
- United States (120)

Over 65% of our members are SMEs

17 Network Representations Worldwide

234 new members in 2021
Members

by sector

- **591** General Merchandise (excluding food)
- **519** Garments and Textiles (excluding home textiles)
- **230** Household Goods
- **105** Food and beverages
- **111** Electronics
- **37** Furniture
- **157** Accessories
- **58** Paper Goods
- **39** Sporting Goods (excluding sportswear)
- **165** Home Textiles
- **98** DIY
- **51** Shoes
- **86** Holding
- **7** Association
- **267** Retailer
- **459** Brand
- **1,540** Importer

Members

by type

- **138** North America
- **98** Asia
- **55** Oceania
- **2** South America
- **2,066** Europe
amfori Products and Services

Doing good for people and planet is the key to sustainable business; together with solid financial results, these are the two pillars for long-term business success. Customers, stakeholders and NGO’s demand that companies operate in an ethical, transparent and responsible manner.

We have built on our 40 years of experience to evolve, support and empower our members to be ready for the challenges of the future in terms of environmental and social due diligence. Our two core products are amfori BSCI (Business Social Compliance Initiative) and amfori BEPI (Business Environmental Performance Initiative). These 2 products help businesses improve their social and environmental performance, in short, the “E” and “S” of ESG. They are supported by services such as capacity building and zero tolerance case handling.

amfori Advocacy, engages with governments and stakeholders at the highest level to ensure that the sustainability goals, efforts and concerns of our members are heard.

Our members have the power to change the world. We enable them to do so by supporting environmental, social and trade improvements in their supply chains.

amfori’s strategic projects that improve our products and services

Based on the strategic decisions taken in 2020, in 2021 we continued to implement key projects that contribute to the achievement of the strategic priorities:

**Improving our services and responding to members’ needs**

amfori BEPI 2.0 enables companies to respond to key environmental issues and trends and drive improvements in their supply chains. In 2021, we began conceptualising and developing amfori BEPI 2.0 as an environmental data-based risk management and performance reporting tool.

**Development and improvement of the Sustainability Platform and the Collaboration Platform (Business Intelligence)**

Our team has focused on developing new features to ensure business continuity for our members and improve process efficiency.

**Becoming a relevant provider of due diligence in the food sector**

Our team focused on developing the full due diligence process cycle for the food industry, starting with mapping farm audits in the Sustainability Platform.

**Take a leading role in the establishment of a global supply chain grievance mechanism (Speak For Change Programme)**

The Supply Chain Grievance Mechanism (SCGM) aims to address grievances related to the amfori BSCI Code of Conduct, that cannot or have not been addressed through the producer operational grievance mechanism and the amfori RPP during COVID-19 Guidelines.

We launched the Speak for Change pilot in Vietnam in May 2021, including onboarding of members and engagement with local partners, stakeholders and business partners. We also conducted a public consultation to get feedback on the features for an effective and accessible supply chain grievances mechanism.
The Power of the amfori Network

Our members come from all over the world and their supply chains can span across several continents. Our 17 Local Network Representations are important platforms where members exchange views and insights from a local perspective, discuss current challenges and receive local support tailored to their needs and language.

A Sustainable Community

We unite 2,400 members such as retailers, importers, brands and associations from more than 40 countries. Our membership includes organisations of all sizes and all sectors with a combined turnover of 1.6 trillion euro.
Supporting Human Rights Due Diligence in Global Supply Chains

amfori has developed two supply chain due diligence programmes, BSCI and BEPI. The amfori Business Social Compliance Initiative (BSCI), the programme on social responsible sourcing, was started in 2003.
amfori BSCI Highlights

Based on the strategic decisions taken in 2020, in 2021 we continued to implement key projects to achieve our strategic priorities. We continued to focus on:

The Power of the amfori Network

In a global marketplace, supply chains are becoming increasingly complex. Now more than ever, it is imperative for companies to improve the transparency of their production and to drive improvements in their supply chains. amfori BSCI enables companies to engage in targeted trade by supporting human rights due diligence in their supply chains.

We bring all our members and the actors in their supply chains together under one code of conduct. This step-by-step approach allows companies to monitor, engage, empower and gain support to put sustainable trade at the heart of their business.

We offer our members a robust and complete due diligence package: mapping, risk assessment, auditing, remediation, capacity building and stakeholder engagement. By sharing the results of audit activities and remediation steps on the amfori platforms, our members reduce their efforts and expense and increase consistency and efficiency for buyers and suppliers.

amfori BSCI Key figures

Audits: General

<table>
<thead>
<tr>
<th>Full Audits</th>
<th>25,048</th>
</tr>
</thead>
<tbody>
<tr>
<td>Follow Up Audits</td>
<td>7,388</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32,436</strong></td>
</tr>
</tbody>
</table>

Countries

<table>
<thead>
<tr>
<th><strong>58</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top 5:</strong></td>
</tr>
<tr>
<td>1. China</td>
</tr>
<tr>
<td>2. Bangladesh</td>
</tr>
<tr>
<td>3. India</td>
</tr>
<tr>
<td>4. Turkey</td>
</tr>
<tr>
<td>5. Vietnam</td>
</tr>
</tbody>
</table>

2,044 audits since 2021
amfori BSCI Key Initiatives and Projects

amfori BSCI System Revision – Publication of the Updated amfori BSCI Code of Conduct (CoC)

At the launch of the amfori BSCI system revision, it was decided that the process should be as collaborative as possible and involve various parties, including amfori members, amfori governance bodies, UN (United Nations) agencies, multi-industry initiatives, and associations.

Therefore, amfori held a public consultation from 1 April 2021 to 31 May 2021 to allow parties to review a draft version of the revised CoC and provide feedback.

We analysed the results and each section of the current amfori BSCI CoC and decided whether it was still relevant, needed improvement. The revision process allowed us to produce a customised version of the amfori BSCI CoC.

The updated version of the amfori BSCI CoC was approved by the amfori Board in October 2021.

The updated amfori BSCI CoC includes:

- **Changes to the Concepts**: Two new values have been introduced (Protection of Vulnerable Persons and Transparency) and two principals have been extended (No Discrimination, Violence or Harassment and No Bonded, Forced Labour or Human Trafficking).

- **Changes in Format**: The CoC will no longer be divided into several documents, namely one main document and three separate Terms of Implementation for Producers, Business Partners and Business Participants. The updated version will consist of a single document that applies to all. It will be binding for both amfori members and their business partners who are designated as signatories.

- **Changes in Content**: We have further detailed the existing guidelines and introduced new ones.

Further information is available [here](#) (Members Only)

Conclusions

The amfori BSCI Code of Conduct is as a commitment document that enables amfori members and their business partners to exercise human rights due diligence and environmental protection in the global supply chains according to internationally recognised principles.

We believe that the updated Code of Conduct and the amfori BSCI System are now more forward-looking, with new and more emphasised concepts and commitments relevant for today and the future.

The updated version of the amfori BSCI Code of Conduct v.2021 will enter into force on 1 January 2023. During this period, amfori BSCI audits will be conducted against the current CoC.

The updated amfori BSCI CoC is available [here](#).

Audit Integrity Programme

The audit quality programme consists of a series of activities to ensure that amfori BSCI audits are managed and carried out according to the requirements of the members and amfori’s processes. The programme is carried out by a third-party quality partner, who monitors the processes of each of our audit partners, from the head office to execution of the audit. See the latest audit integrity report for more information on the amfori website.

In 2021:

- 41 quality activities were carried out in 12 countries, selected on the basis of their risk profile.
- 1 partial Scope Activity, where our Quality Partner went on site to verify allegations and remedial actions.
- 5 individual auditors were removed from the amfori BSCI audit pool.
- 10 amfori lead sanctions including:
  - 8 Warning letters
  - 2 individual suspensions
- 1 Self suspension by an approved audit company following an amfori led investigation.

Quality Programme

<table>
<thead>
<tr>
<th>Field Activities</th>
<th>13 witness audits completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office Activities</td>
<td>Scheme Management Office Audit or Local Office Audit completed</td>
</tr>
<tr>
<td>Sanctions</td>
<td>8 sanctions issued to auditing companies in 2022</td>
</tr>
</tbody>
</table>
Zero Tolerance Protocol

Severe human rights violations, such as forced labour, child labour or sexual harassment, require immediate action to protect the victims and restore their rights. Addressing such violations can be a daunting task for a business alone. The amfori BSCI Zero Tolerance (ZT) Protocol helps amfori members identify critical issues in their supply chains and join forces to resolve them. Once a ZT case is flagged by an auditor, amfori tries to intervene within 72 hours.

In 2021, the amfori Secretariat assisted its members in the coordination and remediation of 52 cases of Zero Tolerance. Most cases of Zero Tolerance were reported in China, followed by Malaysia and Turkey.

Zero Tolerance alerts were mainly raised for findings related to Occupational Health and Safety violations. There were also a significant number of Zero Tolerance cases relating to Forced Labor, in connection with recruitment fees paid by workers, and unethical business conduct, such as attempts to bribe business partners to the auditing company.
Speak For Change Programme

Access to the right channels to make complaints is the key to efficient and immediate remediation for companies, workers and communities. Strong and trusted grievance mechanisms allow for proactive resolution of problems as they arise, before they erode worker or community confidence or become intractable. They are a valuable tool to detect current and potential problems and provide sound guidance on how to improve business practices and create an environment in which business, workers, and communities can thrive.

The amfori Supply Chain Grievance Mechanism (SCGM) Programme is designed to receive complaints from workers, communities and their representatives in the supply chain who believe that they have been adversely affected by amfori members and their business partners. The SCGM Programme should be used when the local operational grievance mechanisms (OGMs) cannot or have not provided a solution or are not accessible to supply chain stakeholders. The SCGM portal is intended for impacted stakeholders, amfori members and any other stakeholder interested in the functioning of the SCGM.

We launched the SCGM Pilot in Vietnam in May 2021, onboarding members and engaging with local partners, stakeholders and business partners.

Food and Agriculture

Supply-chain Mapping

Agricultural supply-chains are complex. In July 2021, business partners were able to use the amfori supply-chain mapping tool to map their agricultural suppliers as farms. This improved transparency and clarity on the role and position of members’ suppliers.

Multi-tier

In September 2021, amfori launched the amfori BSCI Multi-tier audit functionality on the Sustainability Platform. By including a selection of agricultural producers (farms) in the scope of a single audit activity, it improved the ability of Members/RSP holders to monitor HRDD (Human Rights Due Diligence) risks beyond their first-tier suppliers.

Farm audit

The amfori BSCI farm audit tool was launched in December 2021, bringing the audit methodology and approach in line with the business reality of food supply-chains. Farms can now be audited according to a customized questionnaire and monitoring methodology that takes into account their size and maturity level, without compromising the requirements of the amfori BSCI Code of Conduct.

In the first part of 2022, auditors will receive training on the new methodology for auditing farms. During two half-days, the training will help them gain knowledge about the agricultural context, the most salient risks to Human Rights in primary production, and the nomenclature and processes for multi-tier and farm audits.

MoU with GLOBALG.A.P.

In January 2021, amfori and GLOBALG.A.P. signed a Memorandum of Understanding with the aim of improving supply chain monitoring by facilitating the inclusion of the GLOBALG.A.P. Risk Assessment on Social Practice (GRASP) in the sustainability practices of global retailers using amfori’s BSCI services. A digital solution to support this approach will be developed in the course of 2022.

Food Project Groups

In 2021, members of the amfori Food Project Group met more intensively towards the end of the year to support the introduction of food-specific innovations while ensuring that project development was in line with business requirements. During these meetings, a new forum was introduced to allow open discussions on a topic of interest chosen by the participants, giving new ideas and innovations a chance to take shape.
amfori BEPI

Reshaping amfori BEPI to Improve and Measure Environmental Sustainability in Supply Chains

amfori has developed two supply chain due diligence programmes: BSCI and BEPI. The one for environmental sustainable sourcing, the amfori Business Environmental Performance Initiative (BEPI), was started in 2014.
Framework

The framework for BEPI is significantly different from that for BSCI.

Currently, it relies heavily on self-assessments by the producers (Business Partners) on 11 environmental areas. At the end of the self-assessment the Business Partner receives a result (gap analysis) and indications of where improvements are needed. In addition, amfori has concluded framework agreements for business partner activities (a) auditors to carry out relatively broad themed environmental assessments or more targeted audits of chemical management, mainly for clothing and footwear, and (b) consulting firms to provide environmental advice.

amfori wants to offer its members the best tools and services to help them continue their sustainability journey. We have therefore decided to take our environmental initiative, amfori BEPI, to the next level.

During 2021, we completely redesigned amfori BEPI to ensure that what we implement on the Sustainability Platform in 2022 matches the needs and expectations of our members. We also want to ensure that amfori BEPI is in line with the increasing requirements foreseen for the coming years, driven by the new Corporate Sustainability reporting and Due Diligence regulations.

General Overview - Consulting, Analysing and Implementing

In the first quarter of 2021, we thoroughly evaluated strengths and weaknesses while consulting with heavy users to assess their current and future concerns and needs regarding the environmental impact of their operations and the upcoming regulations to which they will have to comply.

As a result, amfori BEPI has been thoroughly reconsidered and reformed, and we have taken the following steps:

• We formed a project task force that included about 10 committed amfori members. They steered the design of the new amfori BEPI and are still doing so.

• We reorganised the environmental topics of the amfori BEPI and aligned most of the 8 Performance Areas (PAs) with the GRI topic list.

• We created a new self-assessment questionnaire based on information from Business Partners which will be converted into a robust environmental risk profile for each site. We have named this new self-assessment the BEPI Risk Assessment.

• We have completely revised the content of the self-assessment questionnaire to focus on questions that support this risk assessment, thus reducing the length of the questionnaire and thus the burden on Business Partners.

• We implemented an automatic configuration of the Risk Assessment questionnaire, to cover only the PAs that are relevant to each site, based on its activities and production processes. Some flexibility is provided, with members still having the possibility to assign additional PAs.

• We have developed a risk scoring system that converts the responses from the sites into a risk assessment.

• We developed tools to improve data quality and put collected data into context.

• We reviewed and redefined our portfolio of improvement activities, developing activities that are more valuable to both members and their business partners.

• We strengthened our partnerships with key organisations, such as the Myclimate foundation for the provision of emissions factors needed to assess Greenhouse Gas emissions at Business Partners, and the ZDHC foundation for the provision of an enhanced service to members wishing to assess the management of chemicals in their textile and footwear supply chains.

New BEPI Features in the Making

Throughout 2021, we developed complex new IT features on the amfori sustainability platform to support the transformation of amfori BEPI into a unique cross sector tool that helps our members identify and mitigate environmental risks in their supply chain.
amfori BEPI Across our Membership

Top 3 producing countries
1. China
2. India
3. Bangladesh

New members per month by 2021
7.5

Members using amfori BEPI
912
17% in 2021

Producers on amfori BEPI
15,219
10% in 2021

Number of amfori BEPI Improvement Activities historical data
2,742
(including Environmental Consulting Activities, Environmental Assessments, Chemical Management Audits)

Countries with active amfori members and producers
83

Top 10 sectors amfori BEPI
1. Clothing/Footwear
2. Household/Office Furniture/Furnishings
3. Toys/Games
4. Personal Accessories
5. Kitchen Merchandise
6. Camping
7. Audio/Visual/Photography
8. Beauty/Personal Care/Hygiene
9. Baby Care
10. Food/Beverage

Members use amfori BEPI to improve their performance in some of the following areas

• Environmental Management Systems (EMS)
• Emissions to Air
• Energy Use, Transport and Greenhouse Gases (GHG)
• Water Use
• Wastewater and Effluents
• Environmental Nuisances
• Waste Management
• Pollution Prevention and Chemicals
• Major Incident Prevention Management
• Contaminated Land/Soil and Groundwater Pollution Prevention
• Land use and biodiversity

The Environmental Performance areas listed above demonstrate the comprehensive approach of amfori BEPI and the diversified portfolio of our BEPI membership.
amfori Timber Due Diligence Programme

In 2021 we have continued to work with Preferred by Nature in capacity building regarding the European Union Timber Regulation.

Our Timber Due Diligence programme is designed as a step-by-step approach to enable businesses to improve their timber procurement due diligence. It is therefore critical for timber importers and others in their supply chain to have an effective due diligence system in place. Our programme aims to help members:

- Understand evolving legislation
- Gain visibility of their Timber Supply Chain
- Assess risks and mitigate
- Get training and improve
amfori Advocacy

Supporting our Members on their Journey to Sustainability by Monitoring, Shaping and Enabling Policy and Partnerships

In 2021, amfori actively monitored the development of policies on Human Rights and Environment Due Diligence as important legislation made its way through the European decision-making process.

amfori also closely followed the development of trade and customs regulations and provided members with the latest updates and analysis.

As part of its mission, amfori represents the interests of its members to policy makers and builds constructive dialogue and concrete partnerships with stakeholders. In this way amfori advocacy contributes to the creation of a conducive policy and partnership environment for sustainable supply chains.
Key Data
amfori’s advocacy in 2021 has delivered:

5 Position papers
(Deforestation, HREDD, Trade, Sustainability disclosure, Textile strategy feedback)

4 Statements
(New Trade policy, HRDD, Bangladesh, Myanmar)

8 Public consultations
(OECD (2), UNGPs, Sustainable textile, TSD chapters, GSP, Customs code, HRDD)

4 Joint letters
(Vietnam, Bangladesh NAP, HRDD, Myanmar)

4 Briefing documents
(Forced labour (2), Bangladesh, HREDD, general product standard regulation, EDD, EU trade negotiations)

100+ Articles
Wide range of trade-related topics affecting members

Governmental Relations

Much of our advocacy work in 2021 focused on consolidating our messaging on HREDD (Human Rights and Environmental Due Diligence). At the beginning of the year, this was done through a workshop on liability and the broader concept of accountability, which culminated in the development of an internal paper on liability. In early 2021, we also provided input to the European Commission’s consultation on the sustainable corporate governance initiative.

Preparing Members for New Legislation and Responsibilities on Human Rights and Environmental Due Diligence (HREDD)

Businesses are increasingly expected to behave responsibly, managing both environmental and human rights risks. As an organisation committed to helping its members thrive by enabling responsible behaviour across their entire value chain, we have been following these trends very closely.

We published an open letter reiterating our support for well-designed due diligence legislation. Together with other industry associations, amfori then brought together academics, policymakers, civil society organisation (CSO)’s and practitioners to organise a fact-finding workshop on environmental due diligence to inform the discussion on differences and similarities between human rights and environmental due diligence.

Just before the end of the year, when it became clear that the European Commission had delayed the publication of its legislative proposal on due diligence, we worked with other business organisations and sustainability initiatives to send a strong signal to EU policymakers about harmonisation and consistency of due diligence frameworks.
2021 was also the year in which we worked to increase members’ awareness of the increasing due diligence expectations. To this end, we published a briefing on document human rights and environment due diligence landscape and held a webinar with a special focus on the German Supply Chain Act.

We also engaged internationally, for example contributing to the OECD level consultation on both the stocktaking exercise and the study on RBC (Responsible Business Conduct) due diligence for SMEs operating in the apparel and footwear sector.

### Deforestation from products consumed in the EU

Deforestation occurring in the EU, i.e., deforestation caused by the supply chain of products consumed in the EU, accounts for 10% of global deforestation. For amfori and its members, the issue is of particular importance. When the Commission began working on a new regulatory proposal to support non deforestation value chains, the advocacy team prepared a position paper outlining amfori members’ expectations for this upcoming piece of legislation. It serves as a basis for discussions with policy makers and stakeholders on this topic. An important milestone for this engagement took place during the deforestation due diligence roundtable organised as part of the UOC online seminar series in May 2021. In parallel, we continued our efforts to influence the design of the upcoming proposal by participating in two EU expert groups on the Deforestation and Timber regulations.

We also maintained our involvement in the EU life project, managed by our partner Preferred by Nature, and supported a training course for members on the EU timber regulation.

Now that the EU has published its deforestation proposal in November 2021, advocacy will continue to shape the right proposal to meet the needs of our members. The features of the new proposal will be carefully designed when reviewing our amfori Timber Due Diligence tool.

### Sustainable trade

The EU Trade Policy Review was published in March 2021. In this statement we stressed the need for the Commission to have strong monitoring mechanisms, considering input from civil society organisations such as amfori, and to ensure that partner countries effectively implement their commitments under the trade and sustainable development (TSD) elements of trade agreements. This should be accompanied by greater transparency to help us monitor the situation. We also suggested that the EU provide preferential trading opportunities for circular products and services (and support countries to move to a more sustainable and circular economy). Last, but certainly not least, we welcomed the inclusion of the forthcoming mandatory due diligence on human rights.

Similarly, the EU sought views on its approach to TSD in trade agreements. We contributed to a consultation where we took the opportunity to reiterate our response to the trade policy review, but also to raise issues such as: the need to more actively involve Domestic Advisory Groups, obtaining definitive commitments from partner countries to improve social and environmental conditions (including before ratification of the agreement), regular post-implementation impact assessments, the possibility of removing preferences if TSD commitments are not met, and the specific inclusion to certain ILO (International Labour Organisation) conventions.

We also made recommendations on what should be included in the proposal to renew the Generalised Scheme of Preferences. These included increased monitoring, accompanied by more transparency, that the withdrawal of preferences (for violations to principles within the core human rights conventions) should remain a possibility, and additional incentives to beneficiary countries to diversify their production and produce in a more environmentally friendly way.

On specific countries, we noted the conclusion of the EU-China Comprehensive Investment Agreement but stressed that China must not lower labour standards and must ratify the ILO conventions on forced labour and on freedom of association and collective bargaining. Bangladesh announced a reform of its labour law in July, which we welcomed, but expressed concern to the Prime Minister that the reform postponed the abolition of child labour, and a reform within EPZ’s, until 2025.
Stakeholder Engagement

amfori is committed to working with our community, inside and outside our industry, locally and globally, to advance our mission of Trade with Purpose. To achieve our goals, it is critical to collaborate, communicate and build alliances to increase impact.

Fostering Strategic Partnerships

In 2021, there was an increase in collaborative actions with stakeholders and an increase in the number of new partnerships by almost 50% compared to 2020.

amfori further advanced its goal of fostering strategic collaboration with stakeholders to fulfil its mission of enabling organisations to increase human prosperity, use natural resources responsibly and engage in open trade globally, through the development and strengthening of key partnerships. These included:

- An MoU with IOM India to promote ethical recruitment and protection of migrant workers, raise corporate awareness of human rights, and combat global human trafficking in supply chains.
- A partnership with the NGO, La Isla, to raise awareness among members on how to prevent health risks in their supply chains.
- An agreement with Sustainable Textiles Switzerland to position amfori BSCI and amfori BEPI in supporting Swiss companies to fulfil the SDGs (Sustainable Development Goals) and the Paris Agreement.
- Strengthened engagement with GRI to better align amfori’s sustainability actions and tools with GRI standards.
- An MoU with GIZ (Gesellschaft für Internationale Zusammenarbeit) and the Uzbekistan Textile Association to improve working conditions in textile factories in Uzbekistan through advocate and awareness raising.
• A collaboration with NGO and consultancy - Partner Africa to produce a report on the sustainability challenges faced by key supply chains in Africa.

• Collaborating with the Platform Living Wage Financials.

In addition, amfori joined and is actively involved in, several multi-stakeholder working groups, such as the ILO Global Business Network on Forced Labour, the MSI Working Group for a Common Framework on Responsible Purchasing Practices, the IDH Roadmap on Living Wage and the ISEAL Wage auditing working group.

amfori Celebrates Successful Completion of Shobola Project

In June 2021, amfori celebrated the completion of the Shobola Project – amfori’s Women’s Empowerment Project in Bangladesh.

The Shobola Project was launched in January 2019, in partnership with CSR Centre and the DBL Group along with a group of amfori members and their business partners. The main objective of the project was to empower women working in the RMG (Ready Made Garment) sector in Bangladesh and to highlight the resulting business and operational benefits for amfori members and producers.

The project developed a systematic approach to raise awareness of gender equality and anti-sexual harassment among top and middle management and to empower female workers through leadership training and capacity building. More than 100 managers and 800 female workers were reached through the trainings. In addition, social dialogues in all factories served to understand the robustness of the factories gender action plans that were developed in response to a gender gap analysis.

To learn more about those who participated in the project, check out the Shobola Project Case Study booklet or this article.

amfori and UN Women Implement the Women’s Empowerment Principles (WEPs) Activator Pilot

The WEPs Activator pilot, jointly implemented by amfori and UN Women’s European Union-funded project ‘WeEmpowerAsia’, ran from September 2020 until July 2021 and was the first programme of its kind supporting companies in implementing the Women’s Empowerment Principles.

The 10-month capacity development programme brought together 16 leading companies from across Europe to enhance their impact on gender diversity and inclusion. The companies, ranging from multinationals to SMEs, were given access to training tools and services, the development of corresponding gender action plans, as well as tailor-made one-to-one support for their implementation.

The programme helped members strengthen their competitiveness by taking concrete steps to empower women, thereby contributing to closing the gender gap in the private sector while building business value.

The pilot is part of a broader partnership between amfori and UN Women to advance women’s empowerment in business globally and helps amfori to meet the goal of ‘Enterprise for Equal’, amfori’s Gender Equality and Women’s Empowerment Strategy (2020-2022).

Promoting Decent Work in Uzbekistan

In June 2021, amfori, together with partners, GIZ and the Uzbek textile organisation Uzbektextilprom, launched a project to improve working conditions in Uzbekistan. The project, implemented by amfori and funded by GIZ, aimed to improve social standards in processing businesses in Uzbekistan. The broader goal was to help factories promote sustainability in the Uzbek cotton supply chain. A total of 21 training courses were held between June and December 2021, with more than 70 factory workers from 36 factories participating.

The project is in line with the international donor community’s efforts to support social reforms in Uzbekistan. According to the ILO, systematic forced labour in the cotton harvest has now ended. Uzbekistan is the 6th largest cotton producer in the world, and new arrangements with donors, such as the granting of the EU GSP-plus, make the country not only one of the biggest success stories in tackling forced labour, but also a promising market for businesses.

Following the positive feedback from the trainings and the growing interest of the Uzbek textile industry in sustainability, GIZ and amfori are launching a second phase of the project, which will be implemented in 2022. In particular the second phase will include an environmental module based on amfori’s BEPI.
amfori Academy

amfori has a diverse range of training offerings to enable members and their business partners such as suppliers, factories and auditors, to build capacity in social and environmental sustainability.

Content
Training content can be divided into two broad categories:

- content that is made for: all members, Business Partners, or auditors
- content that is tailor-made with a specific target group in mind

Content created for all can further divided into:

- social
- environmental
- chemical
- guidance on tools (incl. Sustainability Platform)

Training at starter and expert level is offered.

Channels
amfori in general provides training via different channels:

- Physical trainings (“face-to-face” or “workshops”)
- Online training
  - Live via a video conference platform (“virtual training sessions” or “webinars”)
  - Recorded material that learners can use at their own pace (“e-learning” via the amfori Academy platform)

In 2021, and due to the ongoing COVID-19 pandemic, we have continued to host most of the amfori improvements and Capacity Building activities online. We are proud to have fully adapted to the situation and continue to offer training modules for members, producers and auditors to help them improve social and environmental performance in their supply chains.

In 2021, we began providing more tailored training, particularly in India and Uzbekistan. We also strongly supported the amfori Sustainability Platform with live trainings, videos and tutorials.

Data on the trainings can be found in the Annex of the Annual Report 2021.
amfori Sustainability Platform

The Right Data at the Right Time

The Sustainability Platform was built from June 2018 to June 2020. The vision is to have a one-stop shop where our members can track their sustainability from a social and environmental perspective.

The aim was to merge the two platforms, amfori BEPI and amfori BSCI, into the Sustainability Platform.

In practice, this meant that the old BSCI platform had to be closed down. As such, actions such as migrating the Members and Business Partners, their data, and the auditors from the old platform to the new platform formed the core of the project.

Big Milestones achieved in 2021

By the end of 2021:

Members
2,400

Business Partners
34,000

Users
55,000

had migrated to the new amfori Sustainability Platform.

Benefits for Members and Business Partners

- High-Quality Data
- One-stop shop to manage your sustainability
- User-friendly supply chain functions to monitor your supply chain
- Ability to conduct comprehensive monitoring activities
amfori Presidency

The president of amfori, Christian Ewert stepped down in June 2021. His role was temporarily taken over by the interim president Richard Dictus until the arrival of Linda Kromjong in January 2022.

Governance Structure

The foundation of amfori is the input of our members and their voice in our decision-making. Understanding their priorities and practicing good governance is essential.

A key success and cornerstone of our activities is the Member Advisory Council (MAC) and Stakeholder Advisory Council (SAC). Both councils advise the Board of Directors on strategic issues and trends. Both councils are essential to prepare the organisation for future challenges and to keep abreast of important developments from our members and stakeholders.

The General Assembly is the highest decision-making body across our organisation.
Board of Directors

Composition
At the beginning of 2021, the Board of Directors consisted of 8 members. Bernardo Cruza (Ingles Cortes) mandate expired in June 2021.

Meetings
In 2021, the Board of Directors met 4 times: in March, June, September, and December. There were two extraordinary meetings in February (BEPI strategy meeting) and April (GA preparation). The Finance committee met 4 times and the HR committee met twice.

Member Involvement
Advisory Councils Strengthened and Collaborated on Improving Stakeholder Engagement
In 2021, both amfori’s Member Advisory Council (MAC) and Stakeholders Advisory Council (SAC) were strengthened with new appointments in both bodies, the development of structured dialogues and sub-groups on priority thematic areas.

In particular, the two Advisory Councils came together to establish an ongoing dialogue on how to support amfori and its members in the area of stakeholder engagement. The dialogue was fueled by a survey of amfori Advisory Council members Network Chairs and should yield concrete recommendations for amfori’s Board of Directors in June 2022 on how to improve amfori’s approach to stakeholder engagement.

Specifically in the MAC, four new MAC members were appointed and a structured dialogue with the Network Chairs and the Board of Directors was introduced. This facilitated the identification of key issues of concern to amfori members. Based on this, strategic input was submitted to the Board of Directors which was presented by the MAC Chair during the June and December Board meetings.

In addition, the amfori MAC provided input for the design of the Member Satisfaction Survey and for determining the scope of two new strategic projects ‘Due Diligence Legislation’ and ‘amfori Audit Integrity’.

In 2021, the MAC met nine times. This included four regular meetings of the MAC, three of which were attended by the Network Chairs. two meetings together with the SAC, two project specific consultations and one meeting of the SAC-MAC subcommittee.

A key development in the SAC in 2021 was the development and meeting of SAC subgroups to discuss identified priority amfori issues. In addition to the four full amfori SAC meetings, subgroup meetings were held on the Supply Chain Grievance Mechanism, Transparency, Climate Change/BEPI, and Gender Equality.

The sub-group meetings led to recommendations on these priorities, which were then incorporated in the SAC and MAC’s annual recommendations to the amfori Board in December 2021. Other discussion topics where the SAC provided advice in amfori’s work included audit integrity, Human Rights Due Diligence and the challenge for SMEs and the COVID’s impact on business and sustainability in India.

As for the composition of the SAC, there were some changes in 2021. In October, SAC Chair Emma Harbour stepped down after retiring from her organisation Rainforest Alliance. She was replaced as Chair by Vice Chair Shahamin Zaman of CSR Center with Jeske van Seters of ECDPM taking on the role of Vice Chair. In December, Madiha Nawaz, a sustainable agriculture specialist, took over as the Rainforest Alliance representative. Another development is that Blake Harwell of TUAC, the trade union association, also resigned from the SAC.
amfori and the Global Reporting Initiative (GRI)

GRI 100
Introductory Information

Basic Information
- Name: amfori AISBL
- Address: Avenue de Tervueren 270, 1150 Woluwe-Saint-Pierre, Brussels, Belgium
- Telephone: (+32) 02 762 05 51

Statement of Strategy: Vision 2030
We are amfori. We believe in Trade with Purpose.

In 2017 amfori developed its Vision 2030 in which amfori set clear priorities to enable amfori and its members to be future fit, not least given the UN Sustainable Development Goals launched in 2015.

The world as we know it is changing. It is time to rethink and reimagine the future. Recent technologies bring new opportunities; new political thinking brings new challenges. Vision 2030 takes our organisation forward with a strong mission and a clear set of priorities to enable us and our members to be ready for the future. It means questioning our way of working and being prepared to work differently.

Vision 2030 is supported by five objectives that build on the best of what we do now and include new activities where there is a clear need.

1. Build
Influential membership base, strong geographical presence, governance that drives participation and an organisation fit for purpose

2. Support
Centre of intelligence and expertise with tools that enable and facilitate strategic partnerships

3. Inspire
Smart policy agent, good reputation beacon, inspiring implementers, and open policy platform

4. Grow
Performing people, successful leaders of tomorrow, best Business Models and sustainability culture

5. Prosper
Minimal risk members, successful sustainable business, sustainable market penetration and maximized positive impact
They will ensure that we can achieve our mission of enabling organisations to increase human prosperity, use natural resources responsibly and drive open trade globally. With the UN Sustainable Development Goals 2030, we want to make sure we are best placed to help our members contribute to them. We support our members in promoting responsible business conduct in their supply chain.

5-year plan 2020-2025

The objective of the current 5-year strategic plan is to align to our Vision 2030 to better serve our members, while working with key stakeholders to make Trade with Purpose a reality.

The five goals reflect the priority vs. support goals:

- Increase member satisfaction through world-class service (priority)
- Optimise organisational excellence through our people (priority)
- Innovate and transform through complementary services (support)
- Increase our relevance across all stakeholders through reputation and brand recognition (support)
- Increase our reach through portfolio, geographic, and strategic partnerships (support)

To deliver on key areas of work to increase member satisfaction, amfori has identified four pillars:

- Provide a powerful platform
- Upgrade our social due diligence approach
- Upgrade our environmental due diligence approach
- Be more member-centric

Stakeholder Engagement

amfori is committed to working with our communities. To achieve our goals, it is crucial to collaborate, communicate and build alliances to drive positive impact.

A key success and cornerstone of our activities is involvement of the amfori Stakeholder Advisory Council (SAC). This body provides advice on strategic issues, trends and drive decision-making. It is essential for preparing the organisation for future challenges and for keeping abreast of important developments from our members and stakeholders.
GRI 400
Social Performance

Employee Attraction, Retention and Organisational Culture
amfori strives to provide its employees with the best opportunities and career prospects. Currently during the COVID-19 pandemic, we have had to remain resilient during the crisis, and some activities that we normally conduct have not been possible. Nevertheless, in some cases, online training has been provided. Similarly, we see that after COVID-19, there will be a change in culture, with greater autonomy and flexibility being the norm for amfori staff.

Through our vision and mission, we offer meaningful work and the possibility to contribute to some of the most pressing issues of our time. People can contribute with concrete impact in their work. Given the COVID-19 pandemic, amfori was required to implement a resilience plan that impacted the well-being of our staff.

Sharing knowledge is in amfori’s DNA, with initiatives such as our monthly Lunch and Learn and bi-monthly Meet and Engage forums taking place regularly. The amfori Academy is also available to all staff to improve their skills.

Health & Safety
The health and well-being of amfori staff are central to promoting a positive and productive environment in our organisation. Prior to the first wave COVID-19 pandemic in Europe around March 2020, amfori employees were already working at home to protect themselves. This was introduced a few weeks before it became mandatory. In meetings and special webinars (during the working from home period), guidelines are regularly shared with the employees of amfori to ensure a healthy workplace.

From the COVID-19 pandemic, we have learned that the right balance needs to be struck between remote and office work (hybrid working model).

Diversity & Equal Opportunity
At amfori, we are proud of our diverse family of employees. At our headquarters in Brussels, we are a patchwork of 16 nationalities, with diverse backgrounds and experiences. In addition, amfori manages 16 network offices around the world. We believe that diversity allows us to do our jobs better by adding a new perspective. Thus, we also have a gender balance of 65% women and 35% men. Operationally, amfori recruits based on experience and merit. Our salary matrix is also based on knowledge and experience and not on intrinsic characteristics of a person such as gender, nationality or race. Similarly, we are proud to have achieved a gender balance at the highest levels of our organisation, including on amfori’s Board of Directors and the Executive team.

During and after the COVID-19 pandemic, amfori is implementing a HR Strategy to improve the well-being and performance of staff during and after the crisis. At the heart of this strategy is the amfori competency framework to ensure that our people continue to develop, stay within organisation and achieve their goals.
As an international business association, our network of country representatives is essential to support exchanges with our members around the world. Today, our membership includes 48 different countries with 16 local representative offices. Together, we are building a global community with shared goals, regardless of industry, size or scope.

Over the past year, our Network has been a crucial point of contact for our members in responding to the COVID-19 pandemic. As we continue to work to minimise the health, social and economic impact of the crisis, we are building on strength, services and expertise with our extensive representation in Europe, the Americas and the Asia-Pacific region.

This section provides insight into our activities worldwide, by region and by country. Special attention is paid to where our members and producers are primarily located.
EMEA Annual Network Report 2021

Overview EMEA

Katja Schulze
EMEA Network Manager

Most of the members of the amfori community are based in Western Europe and include more than 2,100 organisations. These companies are large and small, from global multinationals to small and medium-sized family businesses. The EMEA Network is made up of these members and is supported locally by the Network Representatives, who act as the ambassadors of the headquarter. The strategic direction of the EMEA network is held by Katja Schulze, who leads and acts as a liaison for amfori’s Network Representatives for all social, environmental and advocacy initiatives.

The scope of our European representation is the most extensive in the world and covers the following areas of interest:

- Proactive member support on amfori’s tools to local members.
- Community building and networking activities with our localised member meetings and ‘Unleash Opportunity’ annual conference sessions.
- Governmental affairs through engagement of legislative dossiers on a country-by-country basis and in international organisations across the continent.
- Reaching out to European Stakeholders through partnerships and interaction at the local level.
- Capacity building and training through regular workshops.

Some of the highlights of our engagement in Europe over the past year include the following:

- **Denmark:** Our Nordic networks organised several joint forums focusing on key trends in the region.
- **Finland:** The Finnish network was highly active and organised several Network Connect meetings during 2021.
- **France:** The French Network has focused its activities strongly on supporting members in implementing the new amfori Sustainability Platform through capacity-building activities, Network Connects and sessions on sharing best practices. It has continued its efforts to assist large members in implementing the law on auditing, thanks to amfori’s wide range of tools and the facilitation of a constructive dialogue on the need for transparency with importing members.
- **Germany:** The country with our largest membership base. Germany members play a crucial role in driving legislative efforts for sustainable and open trade. The amfori Network has engaged with its members in various ways to better understand companies’ obligations under Germany’s forthcoming supply chain legislation.
- **Netherlands:** Organisations based in the Netherlands form our second largest membership base in Europe. The Netherlands has a strong focus on collaboration between companies and stakeholders and on a practical approach to sustainability. This is reflected in the various sectoral agreements that our members are involved in and that amfori is part of.
- **Spain:** Our network in the Iberian Peninsula was significantly supported during the amfori Platform migration in various member meetings, FAQ sessions and trainings. We also continued our dialogue with stakeholders such as Plataforma Empresas Responsible, Club Excelencia en Sostenibilidad and ICEX.
- **Sweden:** As with our activities in Denmark, the power of collaboration is very much alive in our Nordic member states. Our Nordic networks organised several joint forums focusing on key trends in the region.
- **Switzerland:** Our Network is actively promoting the progress of SDGs 8, 12, 13 and 15 by joining the Swiss Partnership for Sustainable Textiles (www.sts2030.ch) with the Federal Government. We also continue to build strong relationships with our stakeholders and are again represented at the Swiss Green Economy Symposium.
Denmark

Members: 146

Network Representative: Gry Montiel

Supporting and developing

In a year with global challenges due to the COVID-19 pandemic, the focus within the Danish Network was on the implementation of the new amfori Sustainability Platform. Network Connect meetings remained online until the second half of the year when it was again possible to bring the Network together physically. Further shorter topical meetings, where members could discuss the new amfori Sustainability Platform with each other, complemented the longer Network Connects.

- Two Network Connects in Denmark during 2021
- Three additional ‘In Focus’ meetings with questions and answers (Q&A) on the new amfori Sustainability Platform
- One Nordic virtual meeting on amfori BEPI

Danish members continue to support amfori in developing and promoting its strategic direction by participating in various project groups. Sustainability is high on the agenda of many Danish companies.
**Finland**

Members: 48

Network Representative: Gry Montiel

The Finnish network continued its involvement in amfori in 2021. Involvement in the Q&A sessions on the new amfori Sustainability Platform was high: many good experiences and suggestions shared, and questions were asked to make the best use of this new tool.

In the course of 2021, most of the meetings were virtual, but towards the end of the year it was again possible to physically bring the network together for a very active and exciting Network Connect meeting. The foundations for an even stronger network have been laid, which will benefit members as new challenges or concerns arise.

- Three Network Connects in Finland during 2021
- Five additional ‘In Focus’ meeting with Q&A on the new amfori Sustainability Platform

Finnish members continue to participate very actively in promoting the strategic direction of amfori. This includes serving as members in project groups, the Members’ Advisory Council (MAC) and amfori’s Board of Directors.

**France**

Members: 165

Network Representative: Magali Herbaut

A Key Partner During the Migration to the New amfori Sustainability Platform

In 2021, one of the main goals of the French Network Representation was to support its members in the implementation of the new Sustainability Platform so that they could make the most of the new features and thus improve their CSR efficiency and performance in supply chains. To achieve this, the range of activities organised in France focused heavily on capacity building in operational and legislative issues, as well as specific events – all virtual - such as Network Connects for members on amfori BSCI and amfori BEPI topics.

In addition, importers, who represent two-third of French members, were offered a special webinar series on Transparency, which allowed them to better understand why their customers are becoming more demanding and how to meet these requests. French members also appreciated the legislative and operational updates in the monthly newsletter.

Building a stronger future

During this period, the French Network Representation also continued to strengthen the governance of the Network through the Network Committee to put members more at the center of the organisation & activities.

The number of training workshops for members has multiplied by fivefold compared to 2020 to better support members in preparing for the future EU HREDD legislation.

The French Network Representation also continued its efforts to build relationships with key French Stakeholders such as UN Global Compact, Produrable and various professional federations.
Germany and Austria

Members: 869

Network Representative:
Lorenz Berzau in 2021

Succeeded by Daniel Hopp in 2022

Network chair: Kerstin Jürges, EDEKA
As Vice-Chair: Martin Speer, Brüder Mannesmann Werkzeuge

HRDD Legislation Remains Topical

In Germany, the Supply Chain Act has been the central focus of attention. The draft versions were widely debated since February and the final version was passed by Parliament and published in June 2021. Offering a comparison between the criteria of this new legislation and the tools and services of amfori has been one of the elements to support and guide members. A survey of German members and a workshop with break-out sessions on the different key elements of the law served to get a clearer picture of the specific needs and expectations of German amfori members for the management of their direct – or indirect – legal obligations.

Support on New amfori Platform and Environment

2021 was marked by the increasing migration of members and their business partners to amfori’s new sustainability platform. As this tool is central to the operation of the amfori BSCI system, an important part of the support was focused on the platform. In Germany, a growing interest in amfori BEPI was evident, partly because legislative developments are looking beyond social and human rights issues, and amfori had begun to review amfori BEPI and take it to the next level.

New Institution in Governance

The year was also marked by a fresh start in the governance of the German Network – a new Network Committee began its term in March 2021. As new support for German and Austrian members, Claudia Roszak in the membership team has specialized in helping German members in the Network framework.

The Netherlands

Members: 386

Network Representative:
Norma Wouters-Snell

Another Year of Challenges and Opportunities

2021 was a year of raw material shortages, rising container prices, but also of new opportunities. Members suffered, but also found new ways to further improve their relationships with business partners. Online amfori meetings kept members in touch and allowed them to share best practices and dive deeper into the challenges of their sustainable supply chain. Not being able to visit farms and/or factories forced companies to rethink how they could maintain and improve their business relationships and how they could increase their social and environmental sustainability.

Due Diligence Legislation: NL Versus Europe

The Netherlands has been closely following the developments surrounding the upcoming EU Due Diligence legislation. The delay in progress led the caretaker government to strongly consider drafting its own due diligence legislation. When the new government took office, no official legislation had yet been drafted. The government has expressed its desire to continue the sector agreements already in place to encourage companies to continue working on their due diligence and responsible business conduct.
Spain

Members: 44

Network Representative:
Isabel Castillo in 2021

Succeeded by Maria Rubinos in 2022

Supporting Members in Difficult Times

The amfori Spain network currently has 51 members: its richness is its diversity; both in size and in the sectors represented by our Membership. From major retail leaders with a global presence to valuable SME’s; all our members share a common commitment to address their Supply Chains within a framework of respect for Human Rights and protection of the environment.

‘Excellence in Sustainability’ Club

On 19 November, our Network Representative for Latin America, Jimena Sanchez, participated as a guest speaker at the Responsible Purchasing Commission of the Excellence in Sustainability Club. On that occasion, Jimena spoke about “amfori’s comprehensive complaint management system that is aligned with the perspectives and regulatory framework related to Due Diligence in Sustainability”.

The Club of Excellence in Sustainability is a business association made up of a group of major companies committed to sustainable growth from an economic, social and environmental perspective. The Club aims to be a forum for stakeholder dialogue and a benchmarking platform for Sustainable Development and a transmitter of good practice in Corporate Social Responsibility. The Responsible Purchasing Commission is part of the events organised by the Sustainability Excellence Club, which aims to highlight trends and best practices in this area.

13th CSR/Global Sustainability Week

On 23 November 2021, Jimena Sanchez participated as a guest speaker in the panel “Towards Greener Supply Chains”. On that occasion, Jimena spoke about the role of audits as a management tool for Supply Chains and the importance of due diligence in the context of respecting Human Rights and the Environment.

The 13th CSR (Corporate Social Responsibility) Week was held from November 22 to 25 and is an area of great prestige and reputation in Spain where conferences, debates and valuable dialogues on CSR are held. The cycle had more than 500 affiliated participants from 21 countries and a total of 50 speakers.

‘Anuario Corresponsables’

Corresponsables is the Ibero-American communication company that is a reference in the field of Social Responsibility and Sustainability. In 2005, Corresponsables started its activities in Spain and later expanded to Mexico, Argentina, Chile, Colombia, Ecuador and Peru.

The Spanish Network contributed to the 2021 Corresponsables Yearbook with an article titled “Due Diligence, key to ensuring companies’ efforts”.

To see the Corresponsables Yearbook 2022, click on the following link: https://shelf.bhybrid.com/publication/a3a9ef23/mobile/?prc=7120220217
Sweden and Norway

Members: 137 (SE 121 / NO 16)

Network Representative: Catherine Nasser

COVID-19

Sweden did not have the same restrictions during the pandemic as other countries in Europe. The strategy was to adapt to the conditions in the country and to maintain a balance between measures and perspectives where the long term was most important. It was about public health and the strength to stick to recommendations and restrictions, to persevere. The pandemic has posed challenges for us all.

Engagement and meetings with members

Even in the midst of the COVID-19 pandemic and with restrictions, the members and producers throughout the network were extremely committed and innovative. In the first half of 2021, meetings were held virtually and in the second half of 2021, when restrictions were relaxed, physical network meetings could take place.

In the first half of 2021:

- 1 virtual Network Connects
- 4 virtual Meet (45 min. Q&A on the platform)
- 1 Nordic Meet (60 min. on BEPI)

In the second half of 2021:

- Two physical Network Connects

Support on new amfori platform and environment

The Swedish members remained involved during the gap, especially with the onboarding of the new amfori Sustainability Platform.

Switzerland

Members: 121

Network Representative: Pierre Strub

Moving Forward with Swiss Sustainable Textiles 2030

The multi-stakeholder programme Swiss Sustainable Textiles 2030 (STS 2030) of amfori, Swiss Textiles and Swiss Fair Trade will actively support companies and organisations with their services to achieve the SDGs 8, 12, 13 and 15 along the value chain.

Binding targets were formulated in 2021:

- **Goal 1:** Reduce greenhouse gas emissions.
- **Goal 2:** Promote fair wages and decent work for all.
- **Goal 3:** Promote innovative business models towards the circular economy.
- **Goal 4:** Transparency to ensure sustainable purchasing decisions can be made.

the first big companies, amfori Members Coop and Holy Fashion, signed up. The committed actors must reach certain milestones. The cultural change in the industry will be accompanied by a public communication campaign starting 2022. Read [more](#).
“CO₂-Neutral Food Chains: Is it Feasible?” at the Swiss Green Economy Symposium (SGES)

The motto of the 10th Swiss Green Economy Symposium (SGES) was “Working together responsibly and courageously” in a wide range of sectors. amfori actively supported the innovation forum on CO₂-Neutral food with representatives from Migros, Coca Cola, Siemens, City of Zurich and the ZHAW Zurich University of Applied Sciences, among others, to show how sustainable, climate-neutral food chains can be achieved, where priorities should be set for climate action in the food sector and where more innovation, collaboration and data security is needed.

Support for Members: Always a Priority

Continuous support and connection with members through digital and physical formats, was a core activity. We conducted webinars to replace physical Network Connects, included members in theme-based formats (sustainability platform, member journey to the Academy, STS Webinars on target setting) and in physical events (see SGES or Kerenzerberg Forum on sustainable textiles).

Political: Corporate Responsibility, Free Trade Agreement with Indonesia and CO₂ Legislation

In terms of working tools, we provided a German compact guide to the migration of the platform and ongoing support at the first level. In 2021, we gained more members from different sectors (communication, household goods, bicycle equipment and more) and contacts with security services or even NGOs to support health and human rights worldwide.

Counter-proposal on Corporate Responsibility

After the failure of the citizens’ initiative on corporate responsibility the previous year, the parliament’s less far-reaching counter-proposal was developed further in 2021. The implementation was widely criticized by the population because it does not contain liability rules and excludes small and medium-sized enterprises. Nevertheless, the adopted counter-proposal entered into force. It requires listed companies and unlisted financial service providers with 500 or more employees to report on issues such as the environment, human rights and corruption according to the EU model, as well as specific due diligence and reporting obligations on child labour and conflict minerals for companies above a certain size.

Free Trade Agreement

A milestone was the free trade agreement on palm oil with the supplying country Indonesia. However, the agreement was only accepted by a very small majority. Supporters in the national government and parliament argued that the agreement has criteria not only for the export industry, but also for the environment and social aspects. Opponents of the proposal feared that free trade with Indonesia could fuel the destruction of the rainforest there by palm oil production. They also feared social costs, as working conditions on Indonesian plantations, where palm oil is produced, are particularly poor.

CO₂ Law

In June last year, voters rejected the CO₂ law. The result was very close and Environment Minister Simonetta Sommaruga remarked: “The No is not a No to climate protection, but a No to the CO₂ law. The Federal Council has understood that”. On 17 December 2021, the Federal Council opened the consultation on the revised CO₂ Act for the period from 2025 to 2030. Its aim is to halve greenhouse gas emissions by 2030 and thus meet the 2030 climate target. The new law is based on supplementing the existing CO₂ tax with effective incentives and targeted promotion and investment, and on supporting ongoing developments. The focus is on measures that enable the population to reduce CO₂ emissions in everyday life.
Driving a Sustainable Supply Chain in the Recovery Phase after the COVID-19 Pandemic

By 2021, our offices and representative offices across the APAC region are committed to supporting members in addressing the ongoing challenges of the rise and fall of the COVID-19 Pandemic. Companies of all sizes are fighting hard to survive, and the road to recovery is long. For many countries and sectors, achieving the UN SDGs 2030 will take even longer.

Asian Countries Still Leading in Active Sourcing and Social Monitoring

Despite the two consecutive years of suspension of business activities on site, approximately 400 Members and non-members participated in 23 regional/online webinars on various sustainability topics. In total, more than 270,000 external guests participated. In the APAC regions, these ranged from Human Rights Due Diligence for social compliance, responsible recruitment by amfori Members, green supply chain for sustainable trade. We were delighted that the president of amfori, leading government and business leaders shared their insights at these varied events. Many others included presentations by amfori Director APAC Joyce Chau on behalf of our association.

Member Engagement for Continuous Service Enhancement

Member consultation and engagement are the key to high service satisfaction. In 2021, we saw 20 new members join mainly from Australia/New Zealand, China/Hong Kong SAR and Singapore and Turkey. In 2021, the APAC region organised 10 Network Connect meetings, which were attended by around 240 members. To ensure audit quality is managed efficiently, the APAC region also organised four country specific calibration meeting for auditors plus one specifically for Southeast Asia. Anti-bribery behaviour remained the consistent agenda for all sessions, demonstrating amfori’s focus on prevention of unethical business conducts as the priority mission.

Proactive Leadership in Driving Sustainable Trade in the Region

In 2021, for the first time, amfori has two new representatives for the APAC region in Hong Kong: Ms Caroline Buisset, from Fristads Sweden and Ms Heather Canon from Target USA based. They have been elected as our new board members. Their commitment and involvement will help increase amfori’s positive impact on promoting sustainable trade in the region.

Update on Regional Development

The amfori QMI (Quality Management Initiative) pilot project has been successfully implemented and is well prepared for the soft launch as a new audit service in China in Q1 2022. amfori QMI is a fast-scanning tool to support members to reduce total resources for producer assessment and avoid duplicate factory audits. It enables members to take an integrated approach to managing sustainable buyer-supplier relationships in a holistic way through amfori’s one-stop platform; using this common standard to benchmark and identify sustainable producers through a strategic and multi-dimensional monitoring of quality management capabilities. The service is designed to be applicable in multiple countries in the longer term.

Women Empowerment (WE)

amfori will continue to lead and support multiple WE projects and initiatives in the region especially Bangladesh and India.

Sustainability Due Diligence

amfori will continue to strengthen multi-stakeholders’ partnerships in capacity building and advocacy for the successful continuation of professional HREDD in the region.

Visit full country reports for APAC region:
- Australia & New Zealand
- Bangladesh
- Greater China
- India
- Turkey
2021 saw a year of persistent difficulties and uncertainty due to COVID. Supply chain impacts, lockdowns and border closures created unprecedented conditions for members to overcome. amfori continued to provide guidance and support during these challenging times.

**Australian Modern Slavery**

The Australian Modern Slavery Act saw more tranches of submissions in 2021 to the Australian Border Force. amfori has initiated a project to develop a guidance document to support members with their Modern Slavery Statement submissions. The guidance includes identifying data, audit results, risks, continuous improvement and the intrinsic value that amfori membership provides in addressing the concerns raised by the legislation.

**Launch of local Audits**

After training 8 local auditors and facing delays and interruptions due to COVID restrictions, amfori has launched a campaign to engage members to start conducting audits in Australia and New Zealand. After much effort and preparation, the first local audits in the Australian agricultural sector will be carried out in the first quarter of 2022.

**Continuing Relationships with the Next Generation of Business Leaders**

amfori continued its interaction with the university sector and students throughout 2021. amfori participated in the University of New South Wales (UNSW) Social Entrepreneurship Practicum course, working with student groups to develop business cases for amfori’s membership; highlight the strengths and benefits to membership; and understand the views of future business leaders.

Joyce Chau, director amfori Asia Pacific, shared her insights at the UNSW (University of New South Wales) ASEAN Conference. She participated in a multi-stakeholder panel to discuss ‘Protecting Migrants and Workers from Exploitation in the ASEAN Region. Speakers at this conference included H.E. Maria “Leni” Robredo (Vice-President, the Philippines), the Hon. Malcolm Turnbull (29th Prime Minister of Australia) and H.E. Abhisit Vejjajiva (27th Prime Minister of Thailand).
The team is Acting with Resilience and with Agility Despite the Challenges

COVID-19 and its Omicron variant have affected business and people in many ways. Businesses have suffered from the economic impact and high inflation rates worldwide, while people have been affected both physically and mentally by the health crisis. But despite the challenges, amfori’s representation in Bangladesh has been relentless in its support to its members and remained available at all hours.

Some of the important activities in 2021 were:

- 2 Network Connects
- 1 Calibration Meeting for auditors
- Closing ceremony of the ‘Shobola’-amfori’s Women Empowerment Project

The team also organised 30 capacity-building workshops, attended by over 700 professionals. The team also managed about 1300 tickets through Freshdesk and participated in surveys that led to Zero Tolerance protocols.

As part of its advocacy work, the team attended numerous external events organised by prominent and relevant stakeholders, such as the ILO, GIZ, RSC, BGMEA, ESTS, SNV, IOE (International Organisation of Employers) etc. Discussions are underway for possible cooperation with ILO-Better Work.

Greater China is the largest sourcing market for amfori members, with the largest number of producers nationally and over 80% of amfori BSCI audits conducted here. Greater China also is an emerging market for more local representation and members’ participation for amfori. In 2021, the amfori Greater China team continued its professional support to amfori members, helping them to effectively manage their supply chains due diligence in the midst of the pandemic.

Member Satisfaction During the Covid-19 Pandemic

In 2021, amidst the ongoing impact of COVID-19 worldwide the team, organised two virtual Network Connect Meetings for members in Hong Kong. We also held more than 40 workshops, consisting of webinars and some face-to-face workshops, which together educated more than 650 attendees from BSCI and BEPI producers, participants and auditors. There were three orientation sessions for new members, four webinars to introduce the new sustainability platform and one calibration meeting in Greater China to help members, producers and audit partners better understand the requirements and methodology of amfori BSCI. We resolved more than 9,000 queries from our producers in 2021.

Stakeholder Engagement: Building Sustainable Partnerships

In 2021, amfori continued to build on its long-term partnership with China Sustainability Tribune and successfully organised The 24th Sino European CSR Round Table & The 25th Sino European CSR Round Table themed respectively on “Carbon neutrality on supply chain management” & “Global Green Trade and the 30•60 Decarbonisation Goal”. amfori members, representatives of governments, associations and business chambers, international organisations and academic institutions participated in the events together. Together, we reached around 300,000 viewers.
During 2021, despite the challenges of the COVID-19 Pandemic, amfori in India made significant progress on key issues such as Human Rights Due Diligence, Ethical Business Recruitment and Women’s Empowerment, bringing us closer to our goal of Trade with Purpose. Membership engagement, stakeholder engagement and building partnerships were a focus in India.

Impact on Human Rights Due Diligence for Businesses

In November 2020, amfori entered into a partnership with the Indo-German Chamber of Commerce to develop and implement training programmes on business and human rights due diligence, focusing on the German and Indian (Zero Draft) National Action Plans. After two years of consultation and research, this is the first ever training course designed specifically to support companies operating in India.

In January 2021, the training course was unveiled in a webinar organised together with the IGCC entitled “Indo-German Sustainable Trade: Protecting Human Rights and Supporting Businesses”. During the event, amfori also jointly unveiled the Publication “Protecting Business Growth and Human Rights”.

Making a Business Case for Women’s Empowerment

amfori and UN Women continued their collaboration to promote Women’s Empowerment in India. amfori launched a series of webinars with UNWOMEN to showcase successful journeys and achievements of companies and individuals who have strategically integrated gender equality into their supply chains. The webinars served as an exchange of best practices on gender equality.

Additionally, amfori and Confederation of Indian Industry (CII) shared a briefing document on Workshop Series titled ‘Supply Chain Management: Empowering Women in the Workplace in India’ to accentuate the efficacy of companies’ existing support mechanism that safeguard women’s rights in the workplace and to ensure legal compliance are met under the prevailing Indian laws.

Ethical Business Recruitment

On 25 October 2021, amfori signed a cooperation agreement with the International Organization for Migration (IOM) in India. Under this agreement both parties agree to establish cooperation and mutual non-monetary assistance, in relation to promoting ethical recruitment and protection of migrant workers, sensitizing businesses on human right issues, combatting human trafficking in national and global supply chains, and building from a mutual longstanding commitment. amfori partnered with IOM in the search for business partners in India to join a 13-week Capacity Building Pilot Programme.

Yolanda Kwok, representative of amfori’s Greater China Network, gave a presentation at a webinar organised by the Hong Kong Productivity Council (HKPC) on the theme of Opportunities for SMEs under the Trend of ESG (Environment, Social and Governance) Development. The event attracted an audience of over 200 people, including industry practitioners, policymakers, SMEs from Hong Kong, and the Greater Bay Area in Mainland China.

Combatting Unethical Business Conduct and Planning for the launch of the Integrity Project in China

Audit Quality is always at the heart of amfori members. The amfori Greater China team worked effortlessly with amfori head office, our members and audit partners to combat unethical business conduct. There was a half-day workshop on the theme “How to combat Unethical Business Behaviour” during the calibration meeting of amfori Greater China to listen and brainstorm on this topic. Together, it successfully helped us to pave the way for the launch of the amfori Audit Integrity Project in China in 2022.

India

Members: 0

Network Representative:
Natasha Majumdar

India

Members: 0

Network Representative:
Natasha Majumdar
Turkey

Members: 3

Network Representative:
Müge Tuna

Turkey is one of the largest countries amfori members in terms of sourcing. The services provided here are aimed at supporting members and producers in their sustainability activities in factories, farms and facilities on the ground. Special attention has been paid to responsible recruitment of migrant workers, namely refugees from Syria.

Engaging and Informing Members in the midst of the COVID-19 Pandemic

During 2020, the Turkish Network Representative led three Network Connect Meetings, in a digital context. During the year, we were also proud to gain another Turkish member.

- 3 Network Connect Meetings for members in Turkey
- 17 webinars organised for business partners with 400 participants

A particular highlight for the Turkish Representation was our participation in the Unleash Opportunity (UO) webinar on Responsible Recruitment and Production. Here we were able to welcome 100 attendees. In addition, six new amfori Sustainability Platform webinars were held for business partners. 17 webinars were held for business partners with 400 participants. In general, attendees reported a satisfaction rate of 90%.

Stakeholder Engagement: Building Sustainable Partnerships

In 2021, amfori’s engagement with partners in Turkey has focused on specific human rights issues, such as migrant workers. A notable example was the signing of MoUs between MUDEM and United Work. We will work together to advance responsible recruitment in the coming years. Similarly, we have worked closely with a range of NGOs to provide virtual training on workers’ rights.

In terms of government relations, the Turkish Representation has worked alongside the Ministry of Labour’s Employment Agency regarding their FAQ Form on the incentives related to COVID-19 that they have provided during the pandemic.

Support for Producers

The Turkish Network Representation supported over 1,000 producer enquiries in 2021, with an average of around 100 queries per month.
US and Canada

Members: 123

Network Representative:
Kelli Hogle

Market Consolidation

The US and Canadian Network continued to expand, attracting 29 new members in the market, including the Centric Brands Collective. Throughout the year, members benefited from six training webinars and two Network Connect meetings, ensuring that our key stakeholders are closely involved and committed to the programmes available.

Throughout the migration of the Sustainability Platform, our Network Representative acted as coach for the members, ensuring that they were well-equipped to make the best use of the Platform in their efforts to improve the supply chain.

In addition, amfori continued discussions with stakeholders, particularly on legislation in the US and Canada related to the import of goods made by forced labour. This could affect members. It is important to anticipate changes and future needs of our stakeholders.
Our Membership grows in the region!

We are pleased to announce that in 2021 Tiendas Paris (CENCOSUD), a leading retail in Chile with 43 stores and more than 7000 employees, joined amfori in September 2021. Latin America is a particularly challenging market for many reasons, but slowly our Membership is growing, and the region is shifting from a 100% sourcing region to one with active Members. Tiendas Paris sees amfori as a strategic partner to support them in their complex and global Supply Chain.

Gender Equality

Gender equality is a particularly important matter at amfori and we also consider Gender Equality important in business in Latin America. In 2021, Jimena Sanchez our Network Representative for Latin America led the development and organisation of three activities in a partnership with UN Women Latin America. The activities focused on the wine and spirits sectors, mainly in Argentina, Chile, Brazil and the Caribbean islands.
The wine and spirit sector in Latin America has a high percentage of female employees, but the management positions are held by men. The companies are aware of the need for a gender-neutral approach, not only to create more opportunities for women, but also because it is good for the business.

In line with the agenda for Gender Equality with UN Women for 2021 in Latin America, we organised a training session on 29 April entitled: Manage with Gender Perspective? Where to start? How to make a diagnosis of a Gender Approach in my company? The training session focused on the application of the Gender Gap Analysis Tool (GGAT), which is based on the Women’s Empowerment Principles (WEPs). With this, companies can evaluate their programmes and policies, analyse their strengths in terms of gender and equality and identify opportunities and areas for improvement. Our webinar enabled participants to take the first step towards implementing a gender approach in their organisations.

The training had 286 registered participants from 20 countries.

Our third and final activity, which we organised together with UN Women Latin America, was a training course called: Practical Workshop to Plan with a Gender Perspective in Companies. The objective was to delve into the key stages to create a gender equality action plan, as a follow-up step to the organisational diagnosis through the GGAT. Moreover, the main qualitative and quantitative indicators were introduced. The training had 151 participants from 13 countries.

It is important to mention that for the three activities we also collaborated with Bodegas de Argentina, Wines of Chile, Bonsucro and VALOS as our support and communicating partners.
Due Diligence: Guest speaker at the OECD

Participating in the OECD event held on 21 November 2021, amfori was the guest speaker for the launch of the Due Diligence Training Programme for the textile and footwear sector in Latin America.

The event was the inaugural session, and its purpose was to present the OECD standards and comment on the importance of making progress in implementing standards for responsible business conduct. Our Network Representative for Latin America, Jimena Sanchez, spoke about the importance of progress in the implementation of standards of responsible business conduct and due diligence and how the audit system helps the company to demonstrate the implementation of due diligence in its supply chain, and the role of amfori in this context.

Participation in the Wine Innovation Summit

The Wine Innovation Summit is a meeting focused on innovation in the wine industry. The aim of the meeting was to address issues and innovative cases in the three stages of winemaking (agricultural, winery and marketing) and to show how wineries from different parts of the world work.

The meeting was aimed at wine industry companies and organisations that provide technologies to improve processes, be more productive and reduce costs. On this occasion, on 21 November 2021, our Network Representative for Latin America, Jimena Sanchez, spoke on “Auditing Systems as a Transparency and tool to address social risk in the Wine Supply Chain. The event had 650 participants from 25 countries.

Circular Transition event

The Circular Transition Event cycle event aimed to create space for exchange of experiences of Swiss, Uruguayan, and Paraguayan companies and organisations, which are working on the transition towards a circular economy, and at the same time to inspire the whole ecosystem of people and organisations interested in this transformation.

At each event, a Swiss organisation and one from Paraguay or Uruguay were present and the processes, challenges, and opportunities were discussed in various meetings.

On this occasion, our Network Representative, Jimena Sanchez, shared the BSCI Code of Conduct and audit methodology to address the environmental and human rights challenges of the textile sector.

The Circular Transition cycle, which included 4 events, had a total of 1,076 participants and over 4,000 views on YouTube.

To see the event, click here:

https://www.youtube.com/watch?v=3hfSTNFdOIk

Sustainable Wine Day for Grape Growers

On 28 October 2021, together with Bodegas de Argentina, we organised a face-to-face event to address the Sustainability of Wine, bringing together grape producers and winegrowers. On this occasion, the event was opened, via video, by the president of amfori, Richard Dicktus, who stressed the importance of extending the approach to wine growers who supply wine producers. Systembolaget, through Hanna Helgesdotter, shared a valuable message addressing the meaning of sustainability throughout the supply chain and the new sustainable choice category. We had the valuable presence of a viticulturist who highlighted the challenges that sustainability currently poses to viticulturists. Finally, Jimena Sanchez, our Network Representative, shared the amfori BSCI system as a management tool for the Wine Supply Chain. The event was attended by 26 people including winegrowers and wine producers.
Join the Sustainable Wine Roundtable

Wine industry and key stakeholders join forces to define sustainability.

For the first time, more than 40 key players in the production and marketing of wine around the world have joined forces to accelerate action as sustainability challenges continue to grow. The newly formed Sustainable Wine Roundtable (SWR) is a unique coalition of leading wine brands, small producers, distributors, retailers, environmental organisations, and others, all determined to make the wine sector a leader in sustainability.

From droughts to floods, from rising temperatures and increased forest fires to social pressures around workers’ rights and diversity, the wine industry, like all others, has important issues to address to remain resilient, continue to meet customer demand and contribute to the United Nations Sustainable Development Goals.

Building on the many local wine sustainability standards, the SWR will develop a global reference standard that clarifies the wine community’s consensus on what sustainability means and how it is implemented and measured. This will provide clear and credible guidance on how vineyards and wineries can move towards sustainability and help retailers and consumers sort through the various eco-labels and claims.

The SWR convenes working groups to develop best practice and tools on substantive sustainability issues, raise awareness, connect industry players, and advocate for the wine community globally as a force for good in the world.

Because of our experience in the wine sector through the SWP, amfori was invited in September 2021 as an expert on the societal area of Sustainability in the Wine Supply Chain. Richard Teply and Jimena Sanchez represented amfori and the interests of our members in the various discussions.
Bodegas de Argentina International Sustainability Forum

On 29 November, Bodegas de Argentina held the first International Sustainability Forum, which was held via streaming.

The aim of the event was to highlight the sustainability of wine from different perspectives, the global vision of the company, of the Chamber’s Sustainability Committee, of partners, social sustainability, and that of a service provider.

Speakers included Valentina Lira, Sustainability Manager of Concha y Toro Chile, María Flavia Filipini, Dean of the Faculty of Agricultural Sciences UNuyo, Andrés Valero of Grupo Avinea, María Mercedes Álvarez, Head of Sustainability of Bodegas Chandon, Gabriel Pérez, Manager of Environmental Performance of the Andreani Logistics Group, Sebastián Cuervo Assistant Manager of Engineering and Environment of Trivento. Luis Romito of the Bodegas de Argentina Sustainability Commission also participated. The opening was attended by Martín Hinojosa, President of the INV, Milton Kuret, Executive Director of the entity and Mauricio González, Secretary of Linkage and Extension of the UNCuyo. The event was closed by Ángel Vespa, Director of International Relations at Bodegas Chandon.

Our Network Representative for Latin America, Jimena Sánchez, addressed consumer trends and social sustainability in the wine sector. The event had 180 participants from more than 10 countries.

Below is the YouTube link of the event:

https://www.youtube.com/watch?v=MGTN-aGQNs&t=4s

Network Connect meetings

No Network Connect meetings were held in 2021. For 2022 Network Connect meetings will be organised together with the Spanish Network.
Financial Statements 2021

Revenues

The association’s revenues have continued to grow moderately, despite the risks and uncertainties arising from the ongoing COVID-19 pandemic.

Total net income increased by 5.2% compared to 2020, from 15,889,000 to 16,712,000 euro, due to an increase in all categories of income.

Membership fee income increased by 4.1%, from 11,871 thousand euros in 2020 to 12,355,000 euro in 2021, due to a slight net increase in the number of members from 2,351 as of 1 January 2021 to 2,388 as of 1 January 2022, a net increase of 37 members, and mainly due to provision for bad debts, which decreased from a charge of 325,000 euro in 2020 to a provision write back of 36,000 euro in 2021.

Audit income increased in volume from 3,811 thousand euros in 2020 to 4,054,000 euro in 2021, an increase of 6.4%.

Other income includes income from trainings, webinars and quality programmes and increased with 46.4% from 207 thousand euros in 2020 to 303,000 euro in 2021.

Operating Expenses

Operating expenses before depreciation and financial or extraordinary income and expenses increased with 5.8% from 11,217,000 euro in 2020 to 11,864,000 euro in 2021, mainly due to an increase in expenses for the Network and by the Technology functions.

The costs of services decreased from 1,048 thousand euros in 2020 to 968,000 euro in 2021 due to a decrease in activities caused by the pandemic: fewer capacity building and quality services were provided and less travel and meeting costs were incurred. Network costs increased by 13.2% from 1,790,000 euro in 2020 to 2,027,000 euro in 2021, with this increase occurring in APAC and in EMEA.

Public Affairs expenses also decreased from 261 thousand euros in 2020 to 183,000 euro due to restrictions related to the COVID-19 pandemic in terms of events or face-to-face meetings. Costs for Strategy and Innovation remain stable at 153,000 euro in 2021.

Costs for Technology increased significantly by 46.8% from 945,000 euro to 1,387,000 euro to improve the overall quality of the amfori IT platforms in line with members’ expectations.

Personnel cost remained stable at 6,202,000 euro in 2021 compared to 6,167,000 euro in 2020, as the decrease in full-time equivalents from 50.6 in 2020 to 44.2 in 2021 was offset by an equivalent increase in interim and consultancy costs. Other corporate expenses have increased from 852,000 euro in 2020 to 944,000 euro in 2021.
**Summary Actual Income Profit & Loss** Statement as of 31/12/2021

Management Report
(in euro x 1,000)

### Revenues

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Membership Revenues</td>
<td>11,526</td>
<td>11,871</td>
<td>12,355</td>
<td>484</td>
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<tr>
<td>Audit Revenues</td>
<td>2,715</td>
<td>3,811</td>
<td>4,054</td>
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<tr>
<td>Other Revenues</td>
<td>82</td>
<td>207</td>
<td>303</td>
<td>96</td>
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<td><strong>Total Revenues</strong></td>
<td>14,323</td>
<td>15,889</td>
<td>16,712</td>
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### Expenses

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Services</td>
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<td>-1,048</td>
<td>-968</td>
<td>80</td>
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<tr>
<td>Network</td>
<td>-2,123</td>
<td>-1,790</td>
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<td>-237</td>
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<tr>
<td>EMEA</td>
<td>-704</td>
<td>-614</td>
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<tr>
<td>APAC</td>
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<td>-1,047</td>
<td>-1,190</td>
<td>-143</td>
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<tr>
<td>AMERICAS</td>
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<tr>
<td>Public Affairs</td>
<td>-752</td>
<td>-261</td>
<td>-183</td>
<td>78</td>
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<tr>
<td>Strategy &amp; Innovation</td>
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<td>-154</td>
<td>-153</td>
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<tr>
<td>Technology</td>
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<td>Corporate Affairs</td>
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<td>-127</td>
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<tr>
<td>Payroll &amp; People costs</td>
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<td>-6,167</td>
<td>-6,202</td>
<td>-35</td>
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<tr>
<td>Other Corporate Affairs</td>
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<td>-852</td>
<td>-944</td>
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<tr>
<td><strong>Total Expenses</strong></td>
<td>-13,041</td>
<td>-11,217</td>
<td>-11,864</td>
<td>-647</td>
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</table>

### EBITDA

<table>
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<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation &amp; Amortisation</td>
<td>-1,311</td>
<td>-2,077</td>
<td>-2,166</td>
<td>-89</td>
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<tr>
<td>Extraordinary Expenses &amp; Revenue</td>
<td>9</td>
<td>23</td>
<td>493</td>
<td>470</td>
</tr>
<tr>
<td>Financial Expenses &amp; Revenues</td>
<td>-22</td>
<td>-142</td>
<td>-109</td>
<td>33</td>
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<tr>
<td><strong>Net Result</strong></td>
<td>-42</td>
<td>2,476</td>
<td>3,066</td>
<td>590</td>
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</table>

### Opening cash position

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2021 vs 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow From Operations</td>
<td>1,268</td>
<td>4,553</td>
<td>5,232</td>
<td>679</td>
</tr>
<tr>
<td>Cash Flow From Capex</td>
<td>-3,301</td>
<td>-3,422</td>
<td>-2,805</td>
<td>617</td>
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<tr>
<td>Cash Flow From Working Capital</td>
<td>1,231</td>
<td>1,255</td>
<td>-425</td>
<td>830</td>
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<tr>
<td><strong>Closing cash position</strong></td>
<td>2,714</td>
<td>2,590</td>
<td>4,592</td>
<td>2,002</td>
</tr>
</tbody>
</table>

Closing cash position
## Summary Actual Balance Sheet after Appropriation  Statement as of 31/12/2021

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed assets</td>
<td>3,897</td>
<td>5,248</td>
<td>5,886</td>
</tr>
<tr>
<td>Financial Fixed Assets</td>
<td>36</td>
<td>34</td>
<td>6</td>
</tr>
<tr>
<td>Long Term Receivable</td>
<td>0</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Short term assets</td>
<td>1,343</td>
<td>1,647</td>
<td>2,244</td>
</tr>
<tr>
<td>Cash and Cash Equivalent</td>
<td>2,677</td>
<td>2,591</td>
<td>4,592</td>
</tr>
<tr>
<td>Deferred Charges</td>
<td>188</td>
<td>456</td>
<td>306</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>8,141</td>
<td>9,994</td>
<td>13,052</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Equity - Association Funds</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Equity - Accumulated Profits</td>
<td>5,377</td>
<td>7,853</td>
<td>10,919</td>
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<tr>
<td>Total Equity</td>
<td>5,380</td>
<td>7,856</td>
<td>10,922</td>
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<tr>
<td>Provisions for Liabilities and Charges</td>
<td>150</td>
<td>18</td>
<td>24</td>
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<tr>
<td>Short term liabilities</td>
<td>2,518</td>
<td>1,909</td>
<td>1,602</td>
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<tr>
<td>Deferred Income &amp; Accrued Charges</td>
<td>93</td>
<td>211</td>
<td>504</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>8,141</td>
<td>9,994</td>
<td>13,052</td>
</tr>
</tbody>
</table>

The reported figures are derived from the audited statutory accounts as deposited with the National Bank of Belgium (www.nbb.be). The classification of the figures is done according to the internal management report. The valuation rules follow Belgian GAAP.