Editorial

Dear Readers,

Welcome to the summer 2016 issue of the BEPI newsletter, a roundup of environmental news and activities from FTA's Sustainability service.

This edition follows updates from BEPI over recent months, including BEPI's partnership with the Zero Discharge of Hazardous Chemical (ZDHC) programme, along with the launch of the Supply Chain Chemical Management (SCCM) module. This comprehensive module is endorsed by ZDHC and designed to support members in meeting their supply chain chemical management challenges by facilitating the use of common tools, capacity building and monitoring.

I am pleased to share information on FTA's Sustainability Intelligence Dashboard; a new tool designed to assist companies in tackling the complexity of supply chain management and support efforts to improve sustainability performance. This issue also outlines the key enhancements to the BEPI System which now integrates a new modular approach with improved tools; from supply chain mapping to environmental data baseline gap analysis.

Furthermore, in the past months, we marked the launch of BEPI in Bangladesh with the very first BEPI producer workshop in the country. During this practical workshop, representatives received a full introduction on how to implement BEPI within their businesses, together with practical tips on on-site improvement activities and insight into chemical management.

Finally, BEPI recently welcomed its 100th participant. I believe this milestone indicates a solid foundation for BEPI participation and I look forward to supporting many more companies towards improving environmental performance in the supply chain.

I invite you to find out more on how to join BEPI and our environmental services by emailing info@fta-intl.org.

Stuart Harker
BEPI Managing Director
Providing Tailored Support to Improved Chemical Management in Supply Chains

In May 2016, BEPI launched the Supply Chain Chemical Management module (SCCM) to improve chemical management in supplying factories worldwide. The module, which was launched just two weeks after the announcement of BEPI’s collaboration with the Zero Discharge of Hazardous Chemicals (ZDHC) programme, provides a new set of tools specially designed to support factories in their chemical management.

The Complexity Behind Chemical Supply Chain Management
Chemicals used in supply chains can affect many different areas of production; they impact products and consumers, they are driven by increasingly complex and strict legislation, and they cover a multitude of environmental areas such as water, waste, emissions and pollution. Additional complexities in the supply chain can make chemical management much more difficult to manage. Obstacles include: accessing relevant locations, gaining visibility on the current state of play and evaluating which tools are accessible without adding complexity.

What is the ZDHC?
The ZDHC is a group of over 20 leading footwear and textile brands, retailers and associations committed to working together to advance towards zero discharge of hazardous chemicals. The focus of ZDHC is to harmonise standards across the textile and footwear supply chain by addressing proper chemicals management and promoting safer chemistries. Read more about BEPI's collaboration with the ZDHC.

What is the Supply Chain Chemical Management (SCCM) Module?
BEPI developed the SCCM to support participating companies when addressing chemical supply chain challenges, based on industry collaboration and the use of common tools.

Through BEPI’s collaboration with the ZDHC, the SCCM module offers best practice tools and standards for its footwear and textile participants. Examples of these include the Manufacturing Restricted Substances List (MRSL), Audit Protocol and Wastewater Quality Standard. ZDHC’s MRSL has now been adopted by 180 members of the German Textile Alliance (Bündnis für nachhaltige Textilien) in order to support them in the elimination of hazardous textile chemicals from their supply chains.

Additionally, BEPI engages in the important cross-cutting areas of data and training, with the aim of raising awareness and increasing the knowledge base in the supply chain, as well as facilitating data sharing in order to reduce efforts and cost.

The SCCM module offers companies and their producers:
- **Common tools and standards**: Access industry-wide tools, aligned performance goals and a common message. These are delivered by BEPI’s selected service provider, Intertek.
- **Capacity building**: Raise awareness and increase knowledge at producers by providing access to training. These are delivered by BEPI’s partner, the Zero Discharge of Hazardous Chemicals (ZDHC) programme.
- **Monitoring**: Measure your producers’ chemical management improvement progress through BEPI’s in-depth audits, following industry best practice protocols.
- **Guidance and support**: Access resources to guide you along the steps towards improved chemical management in your supply chain, including webinars and workshops.
- **Outreach**: Benefit from BEPI’s ongoing efforts to collaborate with leading industry partners in order to align approaches, scale efforts and reduce duplication.

Read the Supply Chain Chemical Management module flyer and find out what stakeholders and media say about the programme.

**Find Out More**

On 6 July, BEPI and FTA’s International Trade Policy (ITP) team led the webinar ‘Untangling the Web of Chemical Legislation, Issues and Trends’ which united high-level thought leaders on the topic to provide linkages between existing and emerging legislations, issues and trends on chemicals in the textile and footwear industry. Watch the webinar here.

In addition, on 28 July, BEPI and Intertek ran the webinar 'Understanding how the BEPI Supply Chain Chemical Management Module can help you', explaining how the BEPI tools are designed to help you understand the challenge, develop a necessary action plan and mitigate the risks associated with chemical management. The recording of this webinar will be available soon.

**Cutting Edge Environmental Due Diligence – The FTA Sustainability Dashboard**

At the FTA Sustainability Conference and Members’ Day held in Brussels on 1-2 June, FTA announced its latest technological advancement ‘the FTA Sustainability Dashboard’, designed to support members in managing the complexity of supply chain management and support their efforts to improve sustainability performance.

Environmental due diligence in supply chains covers huge areas; from identifying to mitigating risks, along with driving environmental improvements to enhancing stakeholder communication. The Dashboard provides increased visibility and access to information which is crucial for making informed supply chain management decisions.

**Utilising Environmental Statistics: From BSCI To BEPI**

For participants of FTA’s Business Social Compliance Initiative (BSCI), social
Audits also include environmental considerations such as legal compliance, management systems, waste, chemicals and water. The more these audits are performed, the more information on the environmental performance of your supply chain is available on the Dashboard.

To provide easy access to this information, BEPI has created a specific dashboard which showcases which producers are lagging on which environmental area, including a short description of potential issues and how BEPI can provide support.

Below is an example of an analysis of the legal requirements displayed on the FTA Sustainability Dashboard:

*Click on the image to expand*

**The Biggest Risk is the One You Do Not Know About**

The FTA Sustainability Dashboard allows companies to identify environmental hot spots and potential risks, and to monitor and measure improvement progress. Information can then be exported easily into a report suitable for management reporting and stakeholder communication.

- **All relevant producers across all tiers in the supply chain are visible and are providing baseline data through the BEPI Self-Assessment.**

- **Environmental hot spots and baseline performance, shown as a visual gap analysis.**
Progress monitoring by producer or for the entire supply chain. Benchmarking of producers or producer groups.

Progress measurement via the BEPI Assessment, visualising how the supply chain is becoming more sustainable.

Find out more information about the FTA Sustainability Dashboard.

**BEPI Launch in Bangladesh Marked by First Workshop**

On 12 April, BEPI held an introductory workshop and chemical management masterclass marking the launch of BEPI in Bangladesh. Representatives, mainly from the textiles sector, were welcomed with a full introduction from on how to implement BEPI within their businesses. Reed Consulting, a recognised BEPI consultant in Bangladesh, followed with a practical presentation on the benefits of on-site improvement activities.

Participants at the launch were also received a chemical management masterclass delivered by representatives from Intertek, a recognised BEPI assessor. Insights into best practice were shared and producers came together to understand how BEPI can help boost environmental performance and communication on crucial issues. Further into the workshop a networking lunch with environmental stakeholders was hosted with the Ministry of Industries and Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), as well as suppliers, legal and insurance representatives.

"This workshop demonstrated the benefits of bringing together producers and technical experts to discuss the practical implementation of BEPI. Bangladesh remains an important sourcing country and so it's great that BEPI is now available for producers here", said Stuart Harker, BEPI Managing Director.

[Click here for more information.](#)

**BEPI Explores Environmental Development in Business and Public Sectors in Switzerland**
On 1 April, FTA held a round table in Bern, Switzerland hosted by Federal Office for the Environment (FoE) to evaluate current developments in Switzerland in terms of sustainable business and stakeholder needs and expectations. Alongside a selection of FTA members active in the environmental arena, the meeting also engaged sustainable business associations, NGOs and leading experts in the environmental field as well as governmental bodies, which together examined the progress made in the field at the local level.

After an introduction by FTA Director General, Christian Ewert, where he presented FTA’s holistic approach towards sustainable supply chains, Stuart Harker, BEPI Managing Director, stressed that BEPI was created in answer to the needs for a management system broadly covering the different supply chain environmental aspects.

Sibyl Anwander, Head of Department of Economy and Innovation at the FoE and former Chairwoman of BSCI Steering Committee, pointed out the relevance of the Sustainable Development Goals (SDGs) and presented today’s efforts to implement new legislations on sustainable procurement in Switzerland. Green economy and sustainable supply chains are top agenda issues in Switzerland’s public procurement.

Seta Thakur, Managing Director at Oebu, the Swiss partner organisation of the World Business Council for Sustainable Development (WBCSD), strongly supported the need for a public procurement legislation to favour companies that are implementing sustainability standards. Since most of them are SMEs, a management tool easy to implement and covering thoroughly the most significant risks and performance areas is required.

The discussion also acknowledged that BEPI is actually aiming for the right purpose, has the right magnitude and could be of great importance to improve sustainability in supply chains worldwide. Given the fact that around 75% of all impacts in manufacturing processes happen outside Switzerland and even Europe, there is a strong need for a risk country oriented approach to improve sustainability in the supply chains.

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**BEPI & HKPC Provide Practical Environmental Solutions at the Cleaner Production for Sustainable Supply Chain Seminar**

On 21 June 2016, BEPI and the Hong Kong Productivity Council (HKPC) jointly held a seminar entitled ‘Cleaner Production in Sustainable Supply Chain’ to share the importance of environmental performance and introduce the Cleaner Production Partnership Programme (CPPP), which allows factories in Hong Kong and Guangdong to assess funding for cleaner production projects.

The seminar was well attended by over 30 business representatives, including FTA members, producers and other stakeholders. An overview of the global-driven climate change commitments and China’s national, standard-led
environmental requirements was provided by Joyce Chau, FTA Representative Greater China. Such commitments are seen to drive the growing importance of continuous environmental performance, particularly in the field of cleaner production. While Qi Qi Guan, BSCI Auditing Manager Greater China, introduced BEPI along with the newly-launched Supply Chain Chemical Management (SCCM) module. Ms Guan also shared her on-the-ground experience of monitoring factories’ environmental performance. Finally, providing a practical company example from the perspective of an active FTA member, Ryan Lau, CSR Manager, Asia from Tom Tailor Sourcing Limited, shared his valuable experience and company policy in monitoring producers’ environmental risks in China and India.

Three HKPC consultants presented the CPPP, the funding scheme to help manufacturing companies adopt cleaner production practices and increase their environmental competitiveness. Together they highlighted the techniques and general importance of data collection and disclosure for sustainability excellence.

**BEPI Updates**
The BEPI Cycle Becomes the BEPI System

With the launch of the BEPI Supply Chain Chemical Management (SCCM) module, the BEPI team took the opportunity to revisit the BEPI cycle and analyse its flexibility to incorporate improvement modules. The BEPI cycle has evolved into the BEPI system and now includes four components, allowing for the continuous expansion of services.

The BEPI system, which aims to improve environmental sustainability in global supply chains, is now a collection of components. It is flexible enough to include new modules focused on creating improvement, but solid through its basis of gap analysis and progress measurement.

The BEPI system brings a holistic approach across all sectors of supply chain visibility, risk identification, performance improvement and progress measurement:

Click on the image to expand

Benefits of the BEPI System

**Access all Tiers of Your Supply Chain**
Visibility and access to all tiers in your supply chain through the supply chain mapping tool in the BEPI platform, so you can identify and address potential risk anywhere. All in one place.

**Collect Baseline Data and Gap Analysis**
The BEPI self-assessment covers 11 environmental areas, resulting in a comprehensive baseline gap analysis, rich environmental data sets and an overview of environmental hot spots for your supply chain.
Create Environmental Improvement Where Needed
The BEPI system proposes a number of improvement activities, tailored to provide focused support, resulting in meaningful improvements. We help you create a path for improvement which covers the entire supply chain, step by step.

Monitor and Measure Environmental Improvement Progress
BEPI provides operational tools, visualisation and reports to monitor the progress of your supply chain on environmental improvement. Measure the maturity of your producers with the BEPI assessment.

The BEPI platform and FTA Sustainability Dashboard are designed specifically to support companies in their efforts to improve sustainability in the supply chain, both at the operational and management level. These tools are exclusively available for FTA members.

Find out more about the BEPI system and how it works.

Environmental News

World Trade Organisation: Members Call for Increased Coherence Between Trade and Climate Policies
On 30 June 2016, at the World Trade Organization’s (WTO) Committee on Trade and Environment, a number of member states proposed to deepen the understanding and relationship between trade and climate policies and highlighted the importance of the Paris Agreement on climate change. FTA fully supports this initiative, which goes in line with FTA’s support for the negotiations on the Environmental Goods Agreement taking place at the WTO.

At the Committee on Trade and Environment, some members also suggested reviewing what has been discussed at the WTO on issues related to trade and climate change and recommended an exchange of views with experts at the committee’s regular sessions. Some members also indicated the importance of addressing other environmental issues besides climate change, such as the treatment of chemical waste. The next meeting of the committee is planned for September 2016.

The WTO’s Committee on Trade and Environment is comprised of WTO members and includes some international organisations as observers. The committee’s mandate has a two-pronged approach: