amfori
Trade with purpose

amfori BEPI Code of Conduct

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Introduction

The amfori BEPI Code of Conduct sets out a commitment by amfori members and their business partners to exercise environmental due diligence in their global supply chains in line with internationally recognised principles.

amfori BEPI is supported and supplemented by the amfori Sustainability Platform, which provides a solution for Human Rights and Environmental Due Diligence. The amfori BEPI CoC commits amfori members and business partners to identify, assess, prevent, mitigate, account for, and remediate environmental impacts in their own operations and for their relevant supply chains.

This document integrates the characteristics of due diligence as listed by the Organisation for Economic Co-operation and Development (OECD). amfori members and their business partners, including upstream and downstream producers, intermediaries, and other key stakeholders within their relevant supply chains, can become signatories of the amfori BEPI CoC. Throughout this document, the term "signatories" will be used synonymously to refer to members and business partners, as well as any other entities (such as sub-contractors) that may have signed the document.

Where it is necessary to distinguish between specific signatories, this will be clearly indicated in this document.

This code encourages members and their linked business partners to work together closely for continuous improvement in environmental performance. Therefore, amfori members acknowledge that this code of conduct must not be used or referred to in purpose of avoiding responsibility and/or holding against a business partner.

This first version of the amfori BEPI CoC has been approved by amfori. The English version of this document is the legally binding one.

The amfori BEPI CoC v.2023 enters into force in January, 2024.

The responsibility to embed this CoC into their operations, and to implement environmental due diligence, lies with the signatories.

Values

The amfori BEPI CoC is based on values established by:

- UN Guiding Principles on Business and Human Rights (UNGP)[1]
- OECD Guidelines for Multinational Enterprises[2]
- All relevant global treaties on environmental protection, and specifically The Montreal Protocol[3], the Basel Convention[4], the Convention on Biological Diversity[5], the Kyoto Protocol6, the Stockholm Convention[7], the Minamata Convention8 and the Paris Agreement[9]
- National regulations for environmental protection

By endorsing the amfori BEPI CoC, the signatories confirm they will follow the values below:

- **Continuous improvement:** The signatories undertake to implement the amfori BEPI CoC using a comprehensive approach, and embedded in their management systems and company culture, to ensure continuous improvement of due diligence within their organisations and relevant supply chains. In addition, signatories commit to engaging in constructive dialogue and working with their business partners and stakeholders to improve environmental performance. Disengagement should only be considered as a last resort when all other means for improvement have been attempted. Continuous improvement must also consider the needs of any vulnerable persons who may be affected by operations, in own operations or in the supply chain. Finally, signatories agree to not use the amfori Sustainability platform to "shop" for suppliers that are easy to manage or where little or no improvement may be seen to be required.

[1] 2011, UN Guiding Principles on Business and Human Rights - https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

[2] 2011, OECD Guidelines for Multinational Enterprises - https://www.oecd.org/daf/inv/mne/48004323.pdf

[3] 1987, The Montreal Protocol - https://treaties.un.org/doc/publication/unts/volume%201522/volume-1522-i- 26369-english.pdf

[4] 1989, The Basel Convention - https://www.basel.int/Portals/4/Basel%20Convention/docs/text/BaselConventionText-e.pdf

[5] 1992, The Convention on Biological Diversity, https://www.basel.int/Portals/4/Basel%20Convention/docs/text/BaselConventionText-e.pdf 6 1998, Kyoto protocol to the United Nations framework convention on climate change - https://unfccc.int/resource/docs/convkp/kpeng.pdf

[7] 2001, The Stockholm Convention - http://chm.pops.int/Portals/0/download.aspx?d=UNEP-POPS-COP-CONVTEXT- 2021.English.pdf

[8] 2013 Minamata Convention - https://www.mercuryconvention.org/sites/default/files/2021-06/Minamata- Convention-booklet-Sep2019-EN.pdf

[9] 2015, Paris Agreement - https://unfccc.int/sites/default/files/english_paris_agreement.pdf

- **Cooperation:** The signatories will have a greater impact on, and a better chance of identifying, assessing, preventing, mitigating, and remediating environmental impacts in their organisations and supply chains by committing to working collaboratively with relevant stakeholders and taking a comprehensive approach to due diligence. The spirit of cooperation is crucial in the engagement between the signatories and stakeholders at different levels, particularly to create leverage.
- **Empowerment:** Signatories will commit to develop their organisations and empower stakeholders involved in their supply chains in a way that protects the environment and enables continuous improvement. Signatories may use and cascade within their organisations and supply chains the tools provided by amfori to support this commitment. Further, as they implement this code, signatories should consider the UN General Assembly (UNGA) resolution10 recognising the right to a clean, healthy, and sustainable environment as a human right which expects businesses to "scale up efforts" to ensure a clean, healthy, and sustainable environment for all. Signatories will ensure that efforts to cascade and implement the amfori tools consider the needs of vulnerable persons within the organisation and in supply chains.
- **Code observance:** Complying with national legislation is the first obligation of business enterprises. In countries where the national legislation sets a different standard of protection than the amfori BEPI CoC and its references, the signatories shall abide by the principles that provide the highest protection to the workers and the environment, without contradicting the legal framework of the country.
- **Transparency:** The signatories commit to being transparent:

  With each other, with amfori and with any third party involved as relevant (e.g., auditors, quality partners), within the context of identification, prevention, and remediation of adverse human rights and environmental impacts. Signatories will proactively inform other relevant signatories and amfori on any critical incidents, as well as the effectiveness of any responses to any adverse impacts.

  Through reasonable disclosure to shareholders, stakeholders, and governments regarding their impacts on the environment and those affected by impacts on the environment, in line with national legislation requirements where available.

[10] 2022, UNGA Resolution - https://documents-dds- ny.un.org/doc/UNDOC/LTD/N22/436/72/PDF/N2243672.pdf?OpenElement

Environmental Performance Area

The risks addressed by amfori BEPI are captured in eight areas, called environmental performance areas.

Environmental Management System

- Implement a process- and risk-based environmental due diligence management system in their business practices, adjusted to the business model of the company. This can also be integrated into the overall due diligence management system.
- Comply with national environmental legislation, or with international standards where national legislation is weak or poorly enforced.
- Identify the environmental impacts of their operations, and implement adequate measures to prevent, mitigate and remediate adverse impacts on the surrounding communities, natural resources, climate, and the overall environment.
- Assessing environmental management practices of business partners so they can identify, assess, monitor, and control adverse impact(s) on the environment and humans.
- Reviewing business partners' processes to ensure legal compliance and prevent major environmental incidents.

Energy & Climate

- Establishing and implementing effective management practices and encouraging business partners to do the same to identify, quantify and reduce the greenhouse gas emissions resulting from their energy use.
- Ensuring in own operations and those of business partners there is an expectation to use international good practice and standards to manage energy use.
- Ensuring there are effective energy management practices in own operations and those of business partners.

Emissions To Air

- Ensuring in own operations and in those of business partners' effective management practices to identify, monitor, and control emissions to air and their impact on the environment and humans.
- Specifically ensuring that own operations and those of business partners, emissions of Ozone-depleting, or other hazardous, substances are strictly managed.

Water & Effluents

- Reviewing water and effluents management practices in own operations and business partners to identify, monitor, and ensure effective controls are in place to avoid adverse impact(s) on the environment and humans.
- Encouraging own operations and business partners to adopt measures that promote efficiency in water consumption and water reuse where possible.
- Encouraging own operations and business partners to adopt measures that reduce or eliminate adverse impacts of effluents by reducing their quantity and/or their content of hazardous substances

Waste

- Reviewing waste management practices used in own operations and by business partners to identify, monitor, and ensure effective control of waste-related impact(s) on the environment.
- Monitoring waste generation and encouraging management practices that divert waste from disposal (reuse, recycling and/or other recovery operations).
- Encouraging own operations and business partners to adopt measures that reduce or eliminate adverse impacts of wastes, for example through improved processes

Biodiversity

- Reviewing management practices used in own operations and by business partners to identify, monitor, and control adverse impacts on biodiversity.
- Encouraging own operations and business partners to adopt, where possible, measures that create positive impacts for biodiversity.

Chemicals

- Reviewing chemicals management practices used in own operations and by business partners to identify, monitor, and ensure effective control of chemical-related impact(s) to people and/or the environment.
- Encouraging own operations and business partners to use alternative substances that are less hazardous to people and/or the environment.

Nuisances

Reviewing management practices used by own operations and business partners to identify, monitor, and control the impacts of noise and other potential nuisances, such as light pollution, dust or traffic on the environment and local community, and where necessary, implementing corrective actions or remediation activities.

Signatories commit to addressing adverse impacts or risks in the above-mentioned environmental performance areas in their own operations and in their relevant supply chains. For each of these areas, signatories are encouraged to:

- Set internal targets and support relevant business partners to set and monitor their own targets for improvement and track this over time.
- Look to international good practice guidelines to support in the effective management of risks.

Implementation

Signatories to the BEPI CoC commit to address adverse impacts or risks in the environmental performance areas using the following five-step approach:



1. **Materiality:** Determining topics that represent the organisation's most significant environmental risks or impacts.
2. **Supply Chain Mapping:** Mapping the relevant business partners connected to the member according to member selection and prioritization within their supply chains.
3. **Risk Assessment:** Identifying the environmental risks of business partners based on production processes, and the unique characteristics and the material risks identified in Step 1 and, where necessary, supporting business partners to identify their own risks and those in their supply chains.
4. **Improvement activities:** Collaborating with internal stakeholders and business partners, and other stakeholders to mitigate, prevent and remediate identified environmental risks or impacts. Activities can include environmental monitoring, capacity building, consultancy and/or projects to deliver positive environmental impact.
5. **Monitor and report progress:** Monitoring progress and reporting on the implementation

In addition, to further embed and cascade the implementation of the commitments within the amfori BEPI CoC, signatories commit to:

- Reviewing water and effluents management practices in own operations and business partners to identify, monitor, and ensure effective controls are in place to avoid adverse impact(s) on the environment and humans.
- Declaring their participation in amfori BEPI and communicating their endorsement of the amfori BEPI actively and publicly through their company organisation and to relevant business partners and stakeholders.
- Implementing a risk-based due diligence management system in their organisation in line with the UNGPs and the most updated OECD guidelines for responsible business conduct; adjusted to the business model of the company.
- Training and incentivising all relevant departments and individuals in a manner that allows them to implement the expectations of the amfori BEPI CoC within their own operations and their relevant supply chains.
- Having the strategy, processes, and sufficient resources in place to meet the responsibilities related to the amfori BEPI CoC and ensure that there is continuous improvement in its implementation.
- Requiring their relevant business partners to work towards full observance of the amfori BEPI CoC within the sphere of their influence.
- Being clear with business partners that sincerity, accuracy, and genuineness of self-declared data is of the utmost importance for the spirit and content of the BEPI CoC to be implemented effectively.
- Avoiding putting their business partners in a position that prevents them from adhering to the amfori BEPI CoC.
- Agreeing to implement the values and principles set out in this document throughout the life cycle of their own operations and business relationships, and in close liaison with relevant stakeholders.
- Keeping information up to date on the amfori sustainability platform, particularly contact information and, if changes are made, informing amfori staff of these changes.
- Establishing or participating in effective operational-level grievance mechanisms for individuals and communities who may be adversely affected by environmental risks or impacts:

– The operational-level grievance mechanism must be in line with UNGP Article

– The operational-level grievance mechanism should be accessible in relevant languages for affected stakeholders and should allow signatories to address and remedy the issues effectively across jurisdictions through partnerships and coordination.

Monitoring in the Supply Chain

- amfori members commit to ensuring the amfori BEPI CoC is observed internally. It is amfori members' responsibility to drive continuous improvement of their business partners by conducting continuous improvement actions, follow-up monitoring and other activities in their relevant supply chains. jurisdictions through partnerships and coordination.
- Business partners acknowledge that amfori members may choose to include them in environmental monitoring activities and agree to being monitored by amfori, or third parties qualified by amfori (e.g., auditing companies, quality partners) for this purpose. These activities may be conducted within the scope of amfori monitoring tools.

Within the course of a monitoring activity, business partners agree to:

- Give full access to the facilities as requested by the individuals conducting the activity, including parts that may not have been initially indicated in the activity scope,
- Give access to personal data on their workers, and let the individuals gather relevant data for reporting purposes as long as this is in line with national legislation and the Regulation (EU) 2016/679 (General Data Protection Regulation), which is also referred to as EU GDPR.
- Allow the individuals delivering environmental monitoring to gather the necessary documentary evidence relevant to the activity, including but not limited to business documents, licenses, certifications, and photographs.
- Allow the individuals delivering environmental monitorings to conduct on-site and off- site interviews with workers in full confidentiality, without any influence or retaliation from the management.

Information Management

- The signatories shall maintain the amfori Sustainability Platform with up-to-date and accurate information and will instruct their employees and representatives to use such information in compliance with the EU GDPR.
- The signatories understand that all personal information collected, used, and otherwise processed within the amfori tools and platforms must comply with the EU GDPR, regardless of the geographical location the data is collected.
- The signatories agree that the information gathered through a monitoring activity, including a grievance mechanism, can be shared with third parties (i) insofar as this occurs within the framework of amfori; (ii) insofar as such transfer is necessary for the provisions by or on behalf of amfori-related activities, and/or (iii) the third parties agree to treat the information provided with utmost respect and for the only purpose relevant for the case.

Signatory

DATE:

NAME:

NAME OF COMPANY:

ADDRESS:

SIGNATURE:

COMPANY STAMP/SEAL

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