

Transparency and Traceability for Sustainable Value Chains

Elements of the Policy Recommendation

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Proposed Definitions



- TRACEABILITY

“the process by which enterprises **track materials** and **products** and the **conditions** in which they were produced through the supply chain” (OECD, 2017)

- TRANSPARENCY

“relates directly to relevant **information** been made **available** to all elements of the value chain in a **standardized** way, which allows common understanding, accessibility, clarity and comparison” (EC 2017)

- SUSTAINABILITY

“in this context, is understood as the **manufacturing, marketing** and **use** of garment, footwear and accessories, and its parts and components, taking into account the **environmental, health, human rights** and **socio-economic impacts**, and their continuous improvement through **all stages of the product’s life cycle** (design, raw material production, manufacturing, transport, storage, marketing and final sale, to use, reuse, repair, remake and recycling of parts and components)” (UNECE 2018).

Policy Recommendation



Outline

I.

A. Introduction (*context on the garment and footwear industry and sustainability challenges*)

B. Purpose (*provide Governments and decision makers with a framework for developing a high level plan for a traceability project*)

C. Scope (*presents a global scope as the primary and most direct beneficiaries will be countries and companies participating in global supply chains*)

B. Benefits (*benefits of following and/or implementing the policy recommendation*)

Recommendation (*policy recommendation itself, highlighting its key points*)

Policy Recommendation



Outline II. Guidelines

A. Introduction

B. Institutional arrangements

C. Monitoring scope: the architecture of a traceability framework

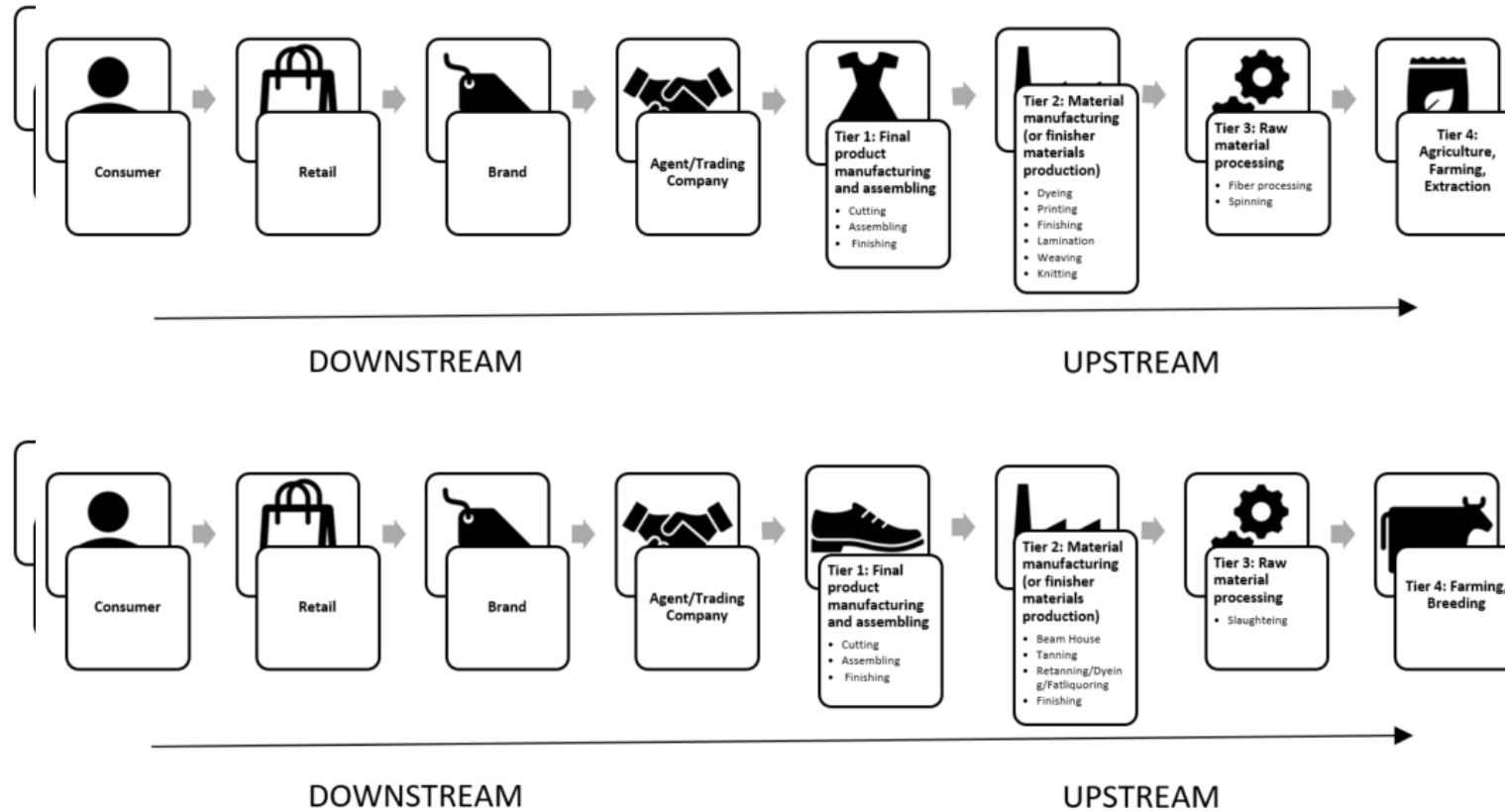
D. Data analysis and recommendations

E. Data analysis and recommendations

F. Policy formulation and action plans

G. Considerations to implementing a Traceability Framework

Overview of typical nodes



So

Source: UNECE 2018, GS1 1018

3. Value Chain

Overview of sustainability hotspots



Risks	Brand/Retailer	Tier 1: Final product manufacturing and assembly	Tier 2: Material Manufacturing	Tier 3: Raw material processing	Tier 4: Agriculture, farming and extraction
Environmental					
	<ul style="list-style-type: none"> - Fast fashion (from 2 to 5 cycles/year) - Greenwashing - Biodegradability - Waste (e.g. packaging, tags, hangers, bags) - Energy efficiency (e.g. lightning in stores), - Air pollution/CO2 emissions generated by goods transportation 	<ul style="list-style-type: none"> - Manufacturing and finishing waste (cuts and sews, samples) - Dyeing waste - Water use (garment finishing) - Water pollution & lack of waste water treatment - Energy efficiency of equipment/machineries - Hazardous chemicals and toxics (for prints) 	<ul style="list-style-type: none"> - Hazardous chemicals and toxics (dyeing) - Dyeing waste - Pretreatment bleaching and washing waste - Finishing waste - Knitting waste - Water consumption (dying) - Water pollution & lack of waste water treatment 	<ul style="list-style-type: none"> - Waste (spinning) - Energy consumption/ CO2 emissions (spinning, synthetic fibers processing) - Water consumption (fibers processing/ cleaning/rinsing) 	<ul style="list-style-type: none"> - Use of insecticides and pesticides - Fertilizers - Soil and land degradation - Habitat loss/Deforestation - Water consumption - Biodiversity & ecosystems depletion - Air pollution - Resource/Fossil fuel depletion
Social/Ethical					
Employees	<ul style="list-style-type: none"> - Fast fashion (from 2 to 5 cycles/year) - Low wages - Working hours - Limited social security - Temporary employment - Ethics and anti-corruption 	<ul style="list-style-type: none"> - Low wages - Non-compliance to minimum wage legislation - Health & Safety on the workplace - Gender equality - Discrimination - Disciplinary practices - Right of association and collective bargaining - Working hours 	<ul style="list-style-type: none"> - Low wages - Non-compliance to minimum wage legislation - Prevalence of child labour - Risks of forced and compulsory labour - Health & Safety on the workplace - Gender equality - Discrimination - Disciplinary practices 	<ul style="list-style-type: none"> - Low wages - Non-compliance to minimum wage legislation - Prevalence of child labour - Risks of forced and compulsory labour - Health & Safety on the workplace - Gender equality - Discrimination - Disciplinary practices 	<ul style="list-style-type: none"> - Low wages - Prevalence of child labour - Risks of forced and compulsory labour
Consumers and community protection	<ul style="list-style-type: none"> - Influence on responsible consumption patterns - Health & Safety - Product Quality/Durability 				<ul style="list-style-type: none"> - Extensive land use vs use for food production
Animal welfare					<ul style="list-style-type: none"> - Freedom from hunger, thirst and malnutrition, physical and thermal discomfort, pain, injury and disease, fear and distress - Freedom to express normal patterns of behavior

Source : SAB000, OECD 2017, SAC 2018, GRI SRS 2018, BCG and GFA 2018, UNECE 2018

Work in groups



Policy recommendation on transparency and traceability for sustainable value chains in the garment and footwear sector
Annotated Outline

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- 3 groups
- Discuss the key elements under Outline 1
- Works in group for 45 min
- Report back in Plenary



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Thank you!