UNECE

Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector

<u>Minutes</u>
Virtual conference meeting #1 – Policy recommendation
13/12/2019, WebEx, 15:30 CET

Participants (24): Elisabeth Annat (Elisabeth Annat Consultancy Services), Luca Boniolo (Federation of the European Sporting goods Industry), Pamela Carpio (Global Reporting Initiative), Lena Coulibaly (GS1 Global Office), Giorgio dal Fiume (WFTO), Antoinette Fionda (Beira Moda Ltd), Miriam Geelhoed (Modint), Gustavo Gonzalez-Quijano (COTANCE), Nathalie Grillon (Open Apparel Industry), Pernilla Halldin (H&M), Enrico Iacovizzi (Fur Europe), Tal Madhala (Chain Ops), Jan Merckx (GS1 Begium & Luxembourg), Roberto Mollica (Europroject), Rudrajeet Pal (University of Borås), Francesca Romana Rinaldi (Bocconi University), Mark Sebastian (GOTS), Debbie Shakespeare (Avery Dennison), Nina Shariati (H&M), Katie Shaw (Open Appel Registry), Evonne Tan (Textile Exchange), Frans van Diepen (RVO, The Netherlands), Nathan Williams (Minespider), Heinz Zeller (Hugo Boss).

UNECE Secretariat: Maria Teresa Pisani, Olivia Chassot   **Co-leading Expert/s**: Francesca Romana Rinaldi

Agenda item	Discussion	Comments / Status	Action/Decision
Introductory remarks *Maria Teresa Pisani*	Opening of the meeting, brief recap on the key project outputs and the core activities to be carried out in 4 subgroups, and the timeframe to develop the policy recommendation (2021). *Reference document: PPT Project Governance and Progress; Group of Experts Composition (<u>CUE Space</u>)*		
1. Overview of group of experts' composition and stakeholders' ecosystem for the policy recommendation and policy-dialogue platform	Presentation of the draft stakeholder ecosystem mapping aiming at capturing comprehensively all the actors involved in global garment and footwear value chains in 3 phases: 1. Map the macro ecosystem 2: Map countries of most-importance 3. Drill down by combining the first two categories. The colours are not meaningful at this stage.	• Consider widening the geographical scope by involving stakeholders at global level, and from all regions, will be a significant challenge and a key successful criterion for the global outreach of this project. A group of experts from Latin America is already on board. • Consider the ecosystem mapping reading grid (4 quadrants with vertical and horizontal axes) as whether the more actors are mapped towards the centre, the more they are likely to engage in the multi-stakeholder policy platform. It can also	Secretariat to collect inputs from experts for the stakeholders' ecosystem mapping until **Wednesday 8 January 2020** and circulate updated approach ahead of next group call.

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	Maria Teresa Pisani, Libby Annat	This exercise also intends to map countries of most importance in the world clothing and textile's market (clothing and textiles exporters: textile importers) using 2019 WTO figures 2019 figures. It could also be relevant to consider emerging countries increasingly engaged in the apparel market (e.g. Ethiopia, Mongolia) or countries which have put forward traceability aims (c.f. national action plans). *Reference document: Draft Stakeholder Ecosystem Mapping V0 (CUE Space)*	be axes showcasing the current level of engagement and their importance in the industry. e.g.: additional efforts shall be made to reach out to commodity traders. • Consider taking a risk-based approach not only encompassing trade data but also sustainability risks data per countries and regions. There is not yet a repository as such, nonetheless it might be relevant to check with SAC, ILO and OECD existing work done in this area. • The stakeholder ecosystem mapping should look into both the "leather" and "textiles" industries. Consider adding leather and footwear specific data. Aside from WTO, consider other existing harmonised system codes for the leather industry.	
2.	Mapping of existing policies, legislation and regulations for traceability and sustainability *Francesca Romana Rinaldi*	Brief presentation of the mapping of existing policies, legislation and regulations for traceability in the garment and footwear industry and beyond (e.g. agri-food, fishery, mining, timber.), their geographical scope and regulatory level. *Reference documents: Policies, regulations and global guidelines for traceability presentation; Excel spreadsheet Traceability Regulations Mapping (CUE Space)*	• Consider the Dutch Child Labour Due Diligence law (2019). • Consider the EU regulation 1169/2011 on food information (which has entailed a thorough labelling of food products in the supply chain). • Consider the EU Circular Economy Action Plan on textiles (one of the four focused area) as part of the 2019 new Green Deal. The Commission will present a 'sustainable products' policy, which will prioritise reducing and reusing materials before recycling them. Minimum requirements will be set to prevent environmentally harmful products from being placed on the EU market. It will be highly relevant to understand the nature of these requirements (e.g. product passports, level of transparency). • The scoping is global. Consider also: ○ Russian Law on Mandatory Marking from 1 July 2019 (Chestny ZNAK track & trace digital system for serialisation of footwear and apparel products	• Secretariat to collect inputs for the mapping (other regulations, policies, legislations and global guidelines for traceability and transparency at global level; due diligence at the government and private sector levels) until **Wednesday 8 January 2020**. • Specific criteria for best practices will also be shared by *Francesca Romana Rinaldi* in coordination with the Secretariat.

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| | | through 2D coding saving all logistics events in a centralised database).
o Luxembourger initiative for general product passport.
o Regulations for traceability in Australia (c.f. wool, raw materials quality and animal welfare).
This mapping exercise has started already for Asian countries e.g. China, Taiwan, Japan. Moreover, this exercise will not only map traceability but will also transparency-related policies and regulations.
• The criteria to define best practices are standards and technologies in place already to track and trace the value chain with traceability and transparency approaches. For traceability and transparency definitions, kindly refer to the policy recommendation draft shared already.
• Consider traceability at unit/item level for garment and at other levels (fabric, yarn, fiber and dyes). The granularity of measurement needs to be defined. Granularity identifies batches and segregate inputs and outputs from different sources.
• Consider the Traceable Resource Unit (TRU) along the value chain such as the scope, units, frameworks. It could be traceability for a batch (c.f. recycled content history) or for an individual item, although for a circular approach, it has to be on at the item level.
• Consider the UN Global Compact's wider definition of traceability which encompasses human rights and labour issues. The subgroup can further determine the indicators that would apply to these fields. | • Secretariat to collect inputs to start conducting interviews for traceability (main focus) and transparency (secondary focus) in agri-food, timber, mining, fishery sectors and any existing good practices in **January 2020**.

• *Roberto Mollica* to share with Secretariat policy documents on traceability in the Australian wool industry.

• Secretariat will reach out to other UN/CEFACT experts in order to extend the scoping exercise of policies and regulations for traceability in the textile and leather industry. |
| 3. Formulation of the scope and | Presentation of the table based on the Policy Recommendation's outline for experts to | | • Secretariat will circulate the outline table on a Google |

target audience for the policy recommendation and guidelines *Maria Teresa Pisani*	indicate which sections they are willing to contribute to for the writing. The draft V0-8 of the policy recommendation on TT for STVC details now the scope and the target audience for the policy recommendation and implementation guidelines. *Reference documents: draft V0-8 Policy Rec on TT for STVC; Outline table for TT Recommendation and Guidelines Experts Contribution (CUE Space)*		drive so that experts can indicate which sections they want to contribute to for the writing of the policy recommendation. • Secretariat to collect inputs on track-changes on the formulated scope and target audience of the policy recommendation by **Wednesday 8 January 2020.**
4. Next conference call (Policy Recommendation subgroup)	Next call: **17ᵗʰ January 2020** at 15:30 CET (Geneva)		• Secretariat to circulate agenda, invite and background documents by **Monday 13 January 2020.** • Secretariat to inform **early January 2020**on date and time for a potential project progress meeting over OECD due diligence forum.