

Overview Policy Recommendation Guidelines

Textile and Leather Traceability Standard Group Meeting
28 May 2020

Accelerating action for Sustainable and Circular Value Chains in
Garment & Footwear



UN / CEFACT

Guidelines Purpose



Ultimately, Identical to that of the Recommendation Text – With a Different Audience
High Level Government and Private Sector Managers
With Implementation Responsibility
Providing Them With

Practical Guidance on the Development of Traceability Systems

To Support

Claims and Regulatory Compliance

for

Sustainable and Circular Garment and Footwear Value Chains

that make a positive contribution to the

UN SDGs, their owners and stakeholders

Structure – In 3 Layers

1) Traceability Framework

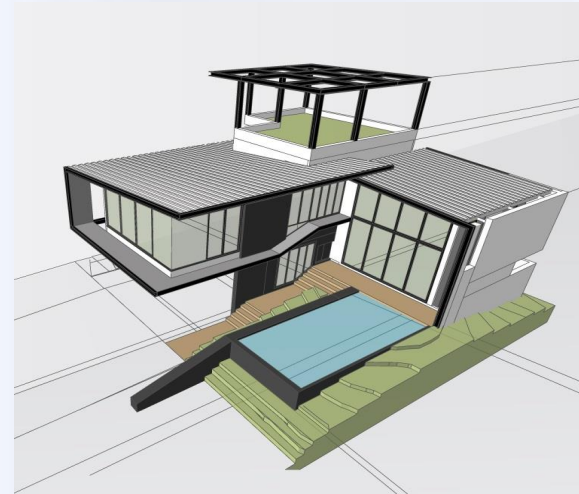
The entire ecosystem supporting value-chain traceability including policies, systems, support, and promotion..



Structure – In 3 Layers

2) Traceability System

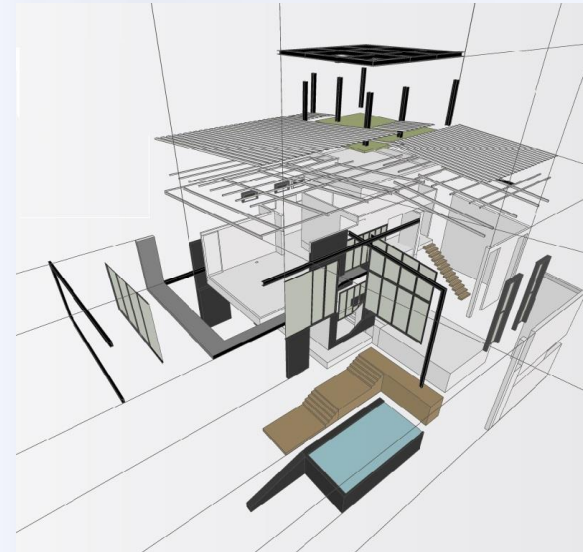
One element of an ecosystem which consists of **the functional traceability system with its practical processes, procedures and technology**



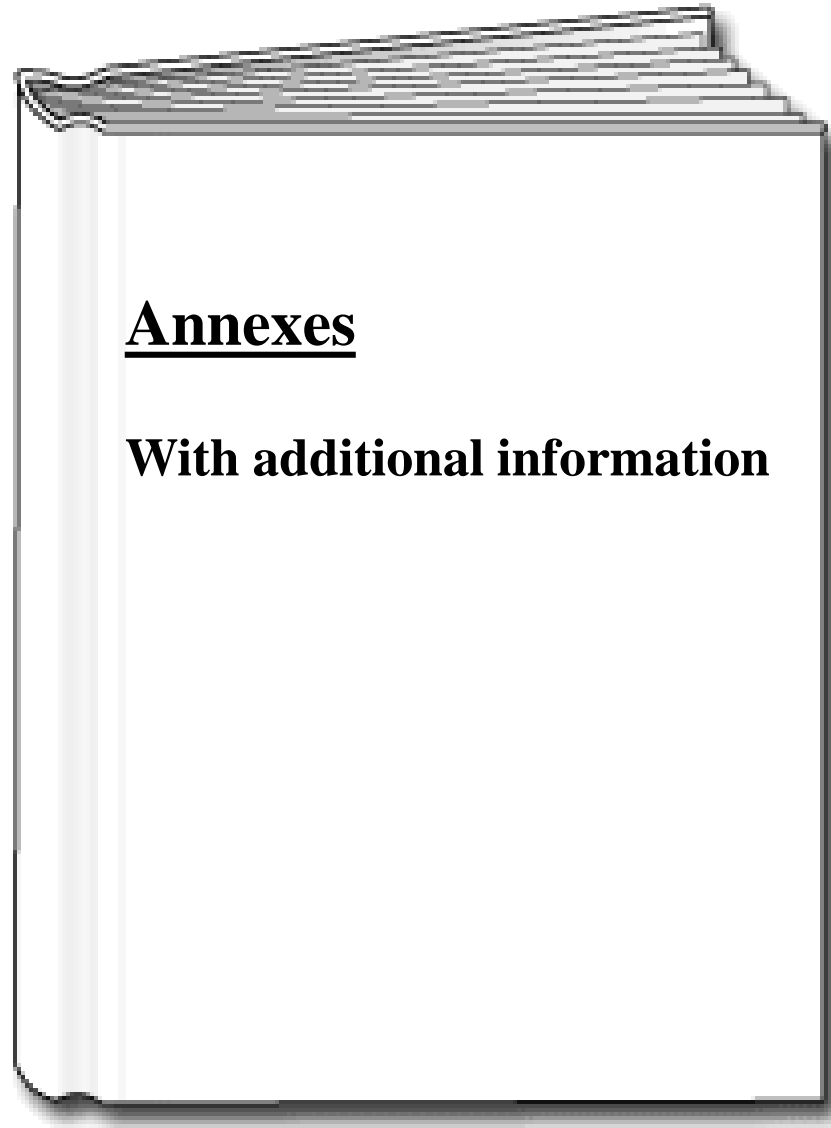
Structure – In 3 Layers

3) Traceability Architecture

The description of the fundamental components of a traceability system - called an “architecture” because it explains how a system is built.



With -
At the end



Part 1 – The Framework not including Levels 2 and 3

Traceability Principles

01

Cost Allocation and
Incentive Systems

02

Supporting Role of
Advanced Technologies

03

Data Analysis

04



05

Formulation And Implementation
of a Roadmap/Action Plan

06

Creating Inclusiveness in
Traceability Systems

07

Government Policy Options

Part 2 – The Traceability System – A High Level View

The Policy Claim

01

- *Why traceability?*
- *What is its objective?*

Traceable Assets

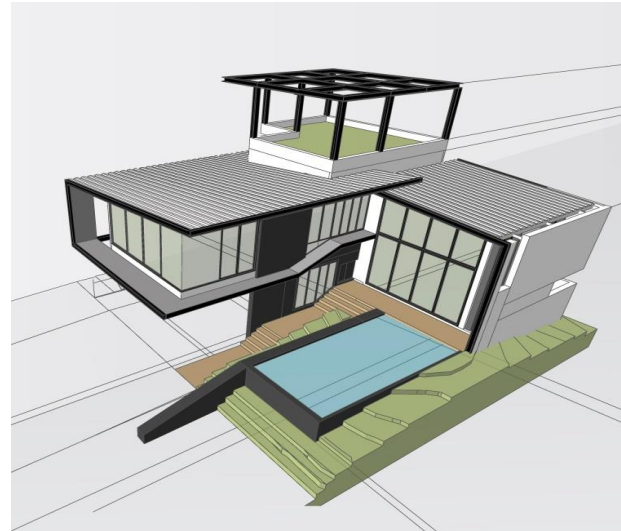
02

- *What is being traced?*

Verification Criteria

03

- *Why should anyone believe the policy claim?*
- *What proof exists that it is true?*
- *What is the information that needs to be collected about traceable assets in order to verify the policy claim?*



04

Identifiers (IDs)

- *How do you know what happens to a traceable asset?*

05

Entry and Exit Points

- *When does traceability take place?*

06

Verification Process

- *Who is checking to be sure that the data is accurate and that no one is cheating?*

Part 3 – The Traceability Architecture

Policy Claims

01

Traceable Assets

02

Unique Identifiers (IDs)

03

Traceability Methods

04



05

Entry and Exit Points

06

Traceability Information and Data collection methodologies

07

Verification Criteria

08

Indicators (to be drafted)

09

Verification Processes: the Role of Audit and Certification

Traceability Principles

- Awareness - Of the benefits
- Knowledge – About: why (purpose), what (information), who (collects it), where and when
- Risk-based analysis - To maximise impact and make the best use of limited resources
- Commitment - Embedded into policy, legal frameworks and corporate strategies
- Engagement - Supports and builds cooperation and a consensus approach
- Structured implementation - Required for accuracy and accountability
- Norms and standards - Decreases future costs and increases interoperability
- Appropriate technology - Matching the capabilities of participants
- Inclusiveness - For acceptance and support



The Policy Claim

Describes

- A clear **objective** with the *sustainability requirement and specific accomplishment(s)*
- The **traceable asset**
- The **“claimed state”** *defined in terms of physical characteristics or process(s)*
- The **verification criteria** = standard, a guideline or other document that an auditor compares information against

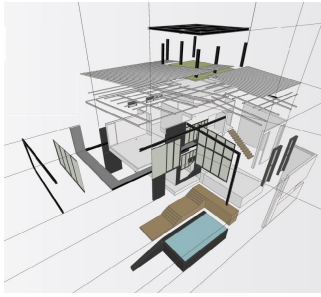
Example

(From Brand Y) **Imported knitwear** contains **ethically grown and traded cotton** from Country A and is obtained in compliance with **ILO fundamental labour standards for ensuring corporate social responsibility**.

- Objective
- Traceable Asset
- Claimed state
- Verification criteria

Traceable Assets

- **Granularity of the traceable asset**
- **Maintenance of Referential Integrity**
- **Traceable Assets and Product Transformations**





Traceable Assets

Major Transformation Stages Natural Fiber and Leather Goods

- Fiber cultivation and harvest / livestock raising and slaughter
- Thread production / leather tanning
- Fabric weaving / leather finishing
- Clothing / footwear production
- Retailing
- Consumer use and end of life



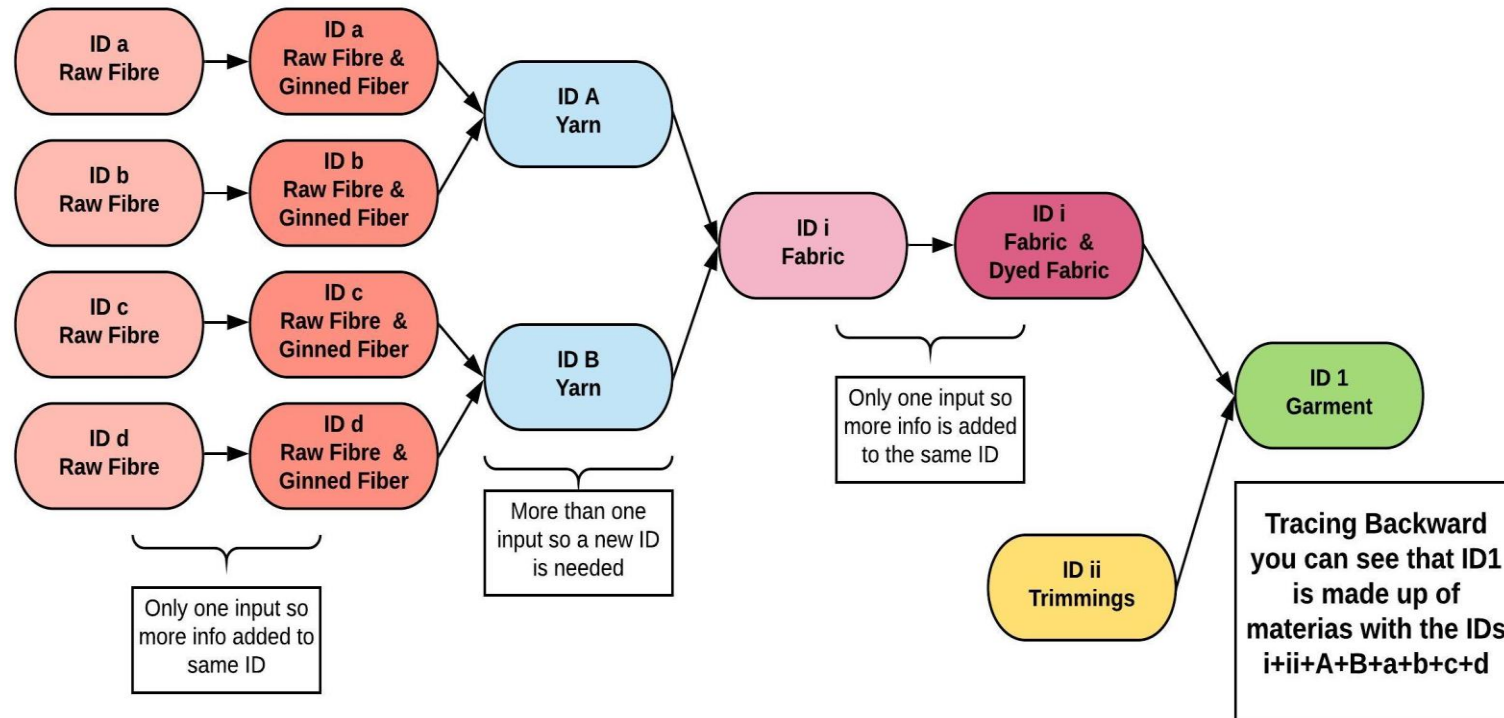
Traceable assets need to be defined for each stage

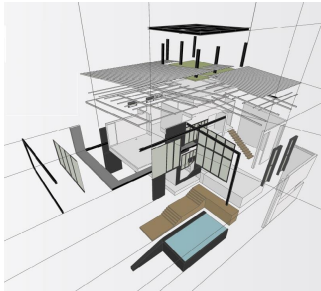
The relationship between traceable assets that are inputs and traceable assets that are outputs need to be clearly defined



Unique Identifiers

The uniqueness of IDs for traceable assets should be ensured by whomever assigns the ID
A new ID needs to be assigned after each transformation





Unique Identifiers

Create Traceability

and

Are the Doors to Process and Product Information



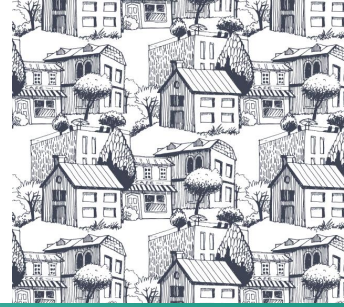


Traceability Information

We Need Your Input for This Table



Product related information	Quality related information	Process related information	Sustainability related information
<ul style="list-style-type: none"> Origin 	<ul style="list-style-type: none"> Test procedures 	<ul style="list-style-type: none"> Manufacturing process details 	<ul style="list-style-type: none"> Environmental and social certifications
<ul style="list-style-type: none"> Composition 	<ul style="list-style-type: none"> Audit reports 	<ul style="list-style-type: none"> Time stamps 	<ul style="list-style-type: none"> Carbon footprint data
<ul style="list-style-type: none"> Material specifications 	<ul style="list-style-type: none"> Quality certification 	<ul style="list-style-type: none"> Unit identifications 	<ul style="list-style-type: none"> Recycling data
<ul style="list-style-type: none"> Product specifications 	<ul style="list-style-type: none"> Tracking data of surplus or damaged material/product 		<ul style="list-style-type: none"> Reparability and durability data
<ul style="list-style-type: none"> Economic-operator details 			
<ul style="list-style-type: none"> Batch number 			
<ul style="list-style-type: none"> Sales data 			
<ul style="list-style-type: none"> Cost 			



Supporting Role of Advanced Technologies

Technology can be a key element in

- Managing risk
- Improving compliance
- Increasing speed and efficiency
- Providing universal access to data
- Creating incentives thru secondary benefits



Challenges

- Implementing with small and vulnerable partners – so as to close the technology gap
- Ensuring data quality and handling exceptions
- Cost and access
- Data quality and system reliability
- Engagement and participation



Supporting Role of Advanced Technologies

We Need Your Input 

For These Tables

1. List of advanced technologies supporting traceability systems
2. Matrix of criteria for selecting technology-based solutions tools

List of advanced technologies with a supporting role for traceability systems

Advanced technologies	Supporting role in traceability systems
Artificial Intelligence and machine learning	Improved risk analysis thanks to enhanced controlling AI-powered systems – support the use of data from traceability systems and operating processes as

Matrix of criteria for selecting technology-based solutions tools for traceability

Criteria/need for selecting technology-based solutions	Impact
Data collection, validation and publication systems that provide interoperability with a wide range of systems, platforms and technologies.	Adequate data access for all relevant stakeholders and allows the inclusion of the largest possible number of stakeholders at the least cost.
Data acquisition, transmission and exchange technology solutions built upon existing standards such as the UN/CEFACT standards	Facilitates interoperability and the exchange of data across systems.
The ability to use automatic rules in a system, and, very importantly, the ability to efficiently change those rules as the environment evolves	Greater efficiency and the ability to modify a system based on experience and changes in the environment.
Virtual and physical training is available to support the use of technology solutions	Encourage actors' engagement and good uptake
Low levels of complexity with lean and accessible processes	Cost-effectiveness for reduced time and effort to achieve organizational goals
Technology solutions to increase transparency and provide direct access on working conditions to factories, trade unions, NGOs	Better information about working conditions, lower audit costs
The ability to quickly and efficiently scale-up technology solutions and partnerships	Cost effective implementation in systems with large numbers of stakeholders
Support for SMEs	The ability to extend traceability further up the value chain and to include existing and new SME suppliers
Technology solutions that do not create "lock-ins" which make it difficult to change systems or suppliers	The ability to be more flexible and change systems in the light of evolving technology or needs – or if existing technology does not perform as promised.



Creating Inclusiveness in Traceability Systems

Inclusiveness through the following creates resilience and stronger systems

- **Shared values**
- **Policy platforms** for multi-stakeholder dialogue, coordinated and inclusive action
- **Multisectoral initiatives** : building upon the existing work in other high-risk sectors (agri-food, timber, minerals)

A DEEP DIVE INTO

1. Integrating developing countries and small stakeholders
2. Gender considerations
3. Support to Small and Medium-sized Enterprises

Annexes





UN / CEFAC



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Thank you!

