

## Project Experts' Meeting

General update on  
project progress

Maria Teresa Pisani and project team

25 | 03 | 2021, WebEx Meeting



## I. Capacity-building and outreach

*Maria Teresa Pisani, Sarah Harris*

## II. Policy

*Maria Teresa Pisani, Francesca Romana Rinaldi, Claudia Di Bernardino*

## III. Information exchange standard

*Gerhard Heemskerk, Virginia Cram-Martos, Deborah Taylor, Marco Ricchetti*

## IV. Blockchain system

*Andrea Redaelli, Giacomo Poretti*

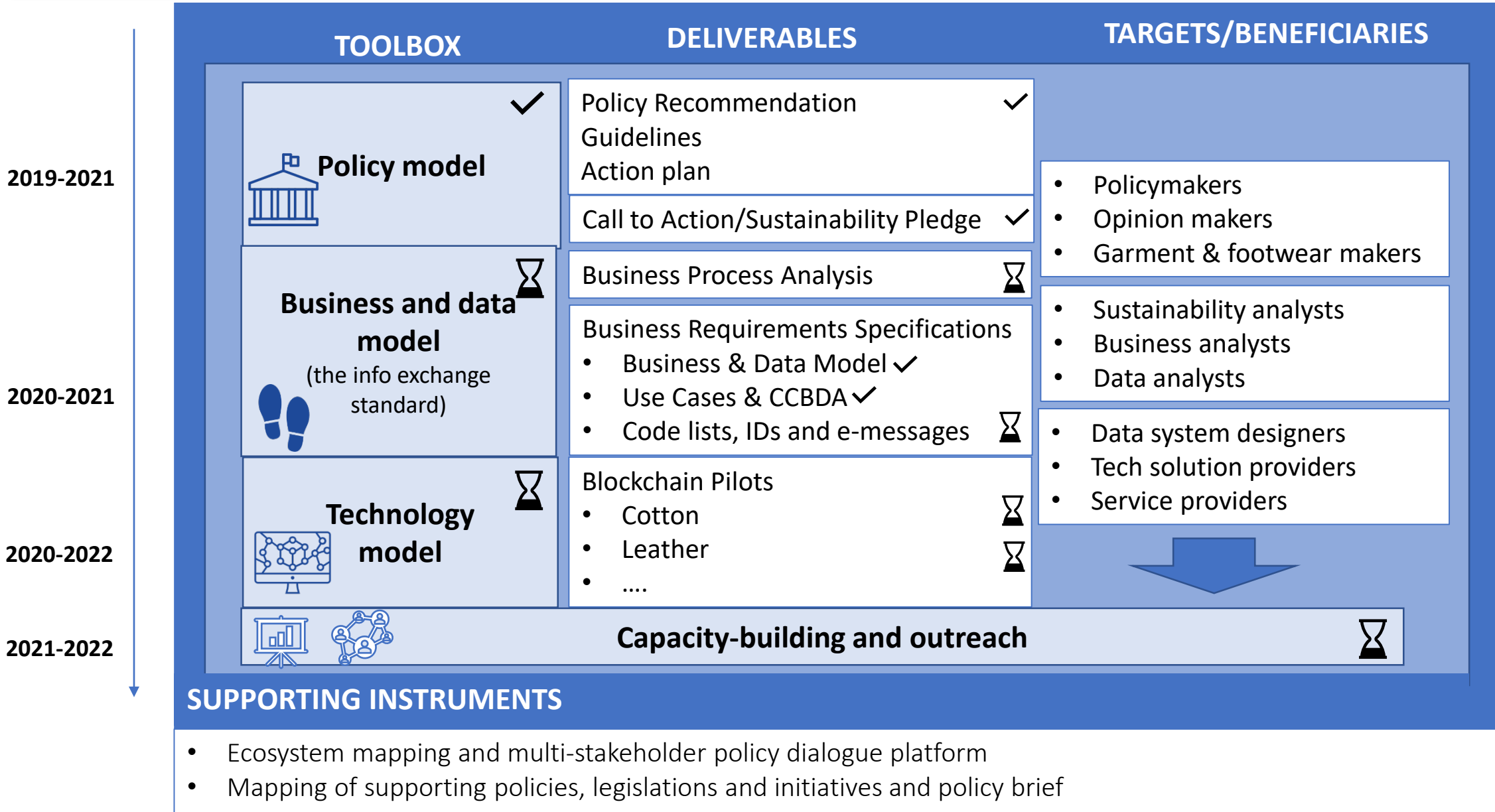
### Background documents

#### [CUE SPACE](#)

- [UNECE Policy Recommendation and implementation Guidelines N°46](#) (finalized)
- [The Call to Action / Sustainability Pledge](#) (finalized)
- The Business Requirements Specification (BRS) for Traceability and Transparency in the Textile and Leather Sector
  - [Part I High-Level Process and Data Model](#) (finalized);
  - [Part II Use Cases and CCBDA Data Structures](#) (finalized)
- [The Business Process Analysis for Textiles](#) (about to be finalized)
- [The Business Process Analysis for Leather](#) (about to be finalized)
- [Project document cotton blockchain pilot and progress report](#)
- Code Lists and Identifiers Recommendation for Textile and Leather (about to be finalized)
- [Report Third Multi-Stakeholder Policy Dialogue 27&28 November 2020](#)
- Minutes October Conf-Call: Subgroups Policy, Textile&Leather, Capacity Building&Pilots ([CUE space](#))

### Webpage

- <https://unece.org/trade/traceability-sustainable-garment-and-footwear>



# I. Capacity-building and outreach

- The communication strategy and toolbox brand identity  
*Sarah Harris*
- The training plan for the toolbox: Q4 2021/Q1 2022  
*Maria Teresa Pisani*



## Garment & Footwear Industry = Sustainability Issues



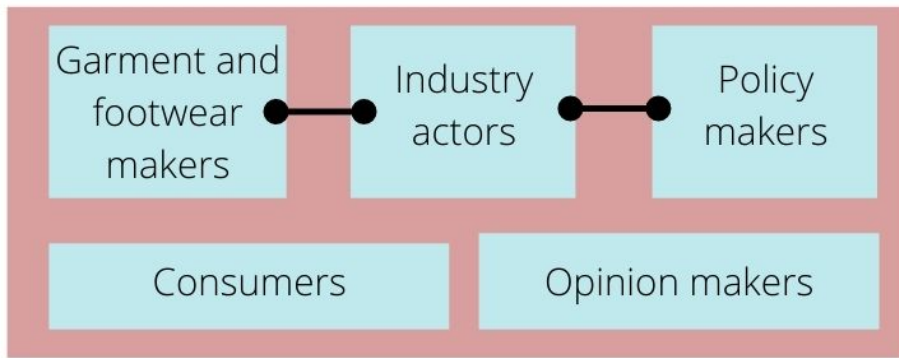


Tell a Story

Track it,  
Trace it,  
Wear it!

United for greater transparency, circularity and sustainability in the garment and footwear sector

## The Sustainability Pledge



In development:

- logo
- website
- campaigns #SustainabilityPledge



Help us  
tell the  
story

Take part in  
communication campaigns  
with a first expected 19/20 April

Share images and video

- illustrative
- copyright-free

Identify friends and  
Ambassadors

- contacts, connections



**UNECE**

**sustainabilitypledge@un.org**



# I. Capacity-building and outreach

- The communication strategy and toolbox brand identity

*Sarah Harris*

- The training plan for the toolbox: Q4 2021/Q1 2022

*Maria Teresa Pisani*





→ 6 workshops → 3 days duration each → key beneficiaries → in focus regions/countries



Garment and footwear makers



Policymakers



Opinion makers

## When and Where (tbc)

Sept 2021

W1 Europe/Milan

Oct 2021

W2 Africa/  
Addis Ababa

Nov 2021

W3 Latin  
America/  
Santiago

Feb 2022

W4 Europe/  
Paris

Mar 2022

W5 Central  
Asia/ Tashkent

Apr 2022

W6 SE Asia/  
Bangkok



**Module 0:** The UNECE initiative and toolbox for transparency and traceability (TT)

**Module 1:** TT as enablers of sustainability and circularity – policy measures

**Module 2:** Principles and components of a TT system

**Module 3:** Formulation and implementation of a TT action plan - KPIs



**Module 4:** The business process analysis (BPA) for sustainable and circular textile and leather value chains

**Module 5:** Business Requirements Specifications (BRSS) for TT in textile and leather

- The business and data model (Part I)
- The use cases and core components business data assembly (CCBDA) structures
- UN/CCL, Code Lists, IDs
- E-messages



**Module 6:** The Technology Model for TT and due diligence in textile and leather

- Blockchain systems
- Markers
- Data privacy and security

**Module 7:** TT for small actors and vulnerable groups

**Module 8:** The Sustainability pledge and Toolbox branding

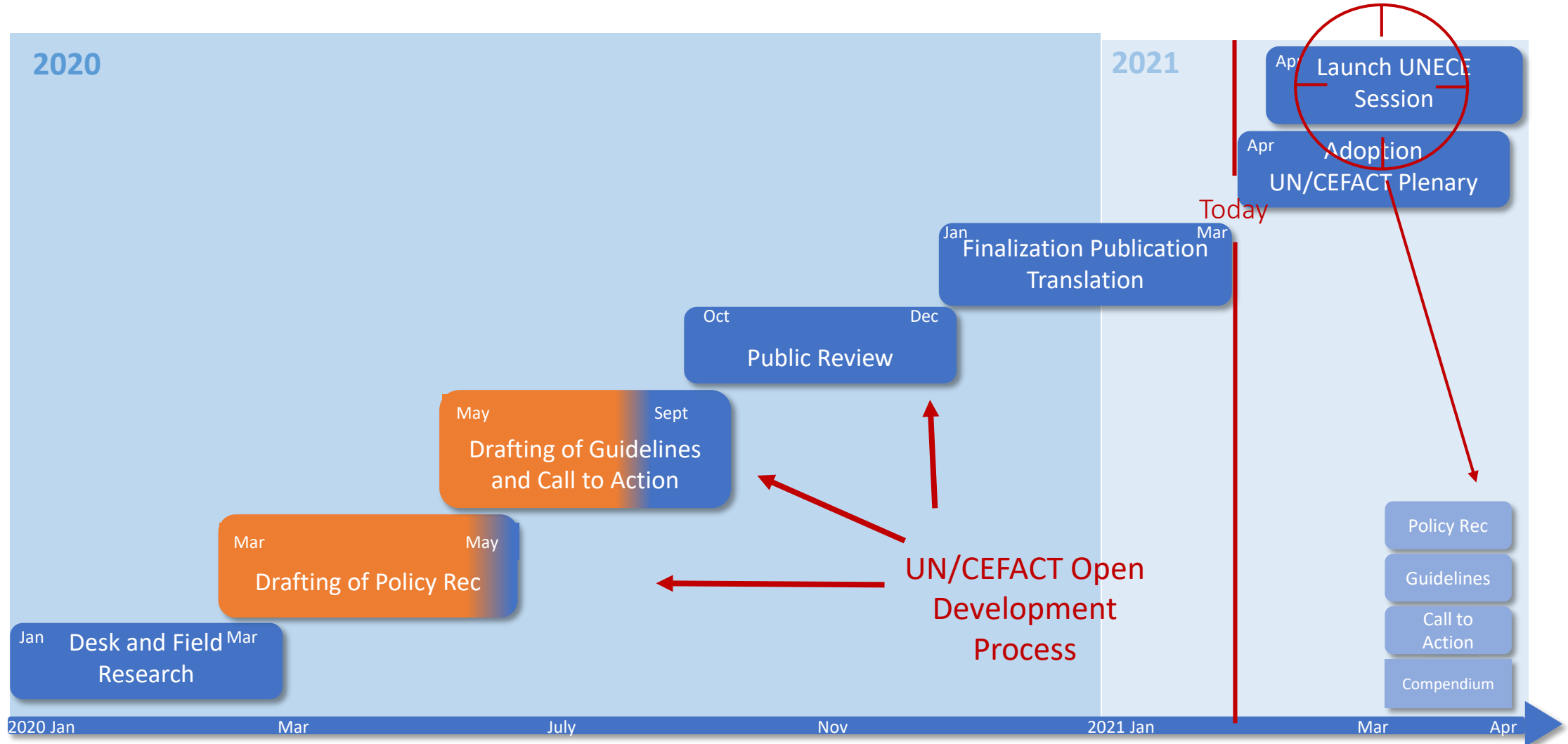
## II. Policy

- **The UNECE Policy Recommendation and Implementation Guidelines N° 46**  
*Maria Teresa Pisani*
- **The Call to Action/Sustainability Pledge**  
*Francesca Romana Rinaldi*
- **The policy and legal report based on the desk and field research and instruments mapping**  
*Claudia Di Bernardino*



# UNECE Policy Rec & Guidelines N° 46 – Timeline

#Policy Recommendation Enhancing Transparency and Traceability of Sustainable Value Chains in Garment and Footwear





### A. Introduction

- **Transparency and traceability:** key enablers for compliance with policy/regulators/ corporate objectives for sustainability and circularity and for solid claims

### B. Scope

- **Whole Value Chain:** from raw material production, through manufacturing, to consumption and post-consumption
- **Action areas:** for Recommendations

### C. Target audience

- **Public-sector policymakers**
- **And:** Business and industry associations; Consumers and consumer associations; IGO; Investors/shareholders; Local authorities; NGOs; Scientific and technological community; Workers and trade unions

### D. Purpose & Benefits

- **A level playing field:** incentive for good actors
- **Globally recognized approach:** for data sharing
- **Better access to remedies:** for workers and consumers
- **Fight to counterfeiting and illegal trade**

### E. Challenges

- **Organizational & technological complexities**
- **Data:** privacy and security, reliability and authenticity
- **Investments in advanced technologies:** e.g. blockchain, RFID

### F. Recommendation

- **5 cluster areas and 9 recommendations:** norms and standards and reference to minimum data set; Incentives; R&D scaling up innovation; Awareness and education of consumers; Multi-stakeholders collaborative initiatives

UNECE-UN/CEFACT "Enhancing Transparency and Traceability for Sustainable Value Chains in Garment and Footwear"

UNECE Policy Recommendation on Transparency and Traceability for Sustainable Value Chains in Garment and Footwear

II. Guidelines for Recommendation n°44 on enhancing transparency and traceability for sustainable garment and footwear value chains

A. INTRODUCTION	3
B. TRACEABILITY PRINCIPLES	4
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D. THE TRACEABILITY SYSTEM ARCHITECTURE – A MORE IN-DEPTH APPROACH	9
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2.2 Maintenance of Referential Integrity	11
2.3 Traceable Assets and Product Transformations	11
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3.1 Maintaining the integrity of UIDs across product transformations	12
4. TRACEABILITY MODELS	13
4.1 Product segregation (most demanding model)	14
4.2 Mass balance (moderately demanding model)	14
4.3 Stock and Claim (least demanding model)	14
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F. SUPPORTING ROLE OF ADVANCED TECHNOLOGIES	20
G. DATA ANALYSIS	22
H. FORMULATION AND IMPLEMENTATION OF A TRACEABILITY AND TRANSPARENCY ACTION PLAN	23
1. Define a vision statement	23
2. Set the objectives and related performance indicators	23
3. Plan the activities and define the timing	24
4. Define the governance structure	24
5. Allocate resources	25
6. Monitor results	25
7. Communicating the results and related recommendations	27
I. CREATING INCLUSIVENESS IN TRACEABILITY SYSTEMS	27
1. Integrating developing countries and small stakeholders	28
2. Gender considerations	29
3. Support to Small and Medium-sized Enterprises	30

Link to Call to Action – Mechanism to monitor impact and facilitate sharing of experiences and good practices



## A. Introduction

- **Purpose:** Practical guidance on the development of traceability systems To Support Claims and Regulatory Compliance For Sustainable and Circular Garment and Footwear Value Chains
- **Target audience:** High-level Government and Private Sector Managers with implementation responsibility

## B. Traceability principles

- **9 Principles:** Awareness, Knowledge, Risk-based Analysis, Commitment, Engagement, Structured implementation, Norms & Standards, Appropriate technology, Inclusiveness

## C. Key traceability systems concepts

- Claims
- Traceable Assets
- Logistics Units
- Unique Identifiers (IDs)
- Entry & Exit Points
- Traceability models
- Verification criteria
- Verification processes

## D. Cost allocation & incentive systems

- **Costs related to traceability and transparency:** e.g. costs for development of the system; data collection and exchange, certification, inspections, audits, etc.
- **Type of incentives:** financial and non-financial, public vs private
- **Criteria of cost structure for value-chain partners**

## E. Supporting role of advanced technologies

- **Opportunities and challenges**
- **Type of supporting technologies:** e.g. AI, IOT, Blockchain, Internet Cloud Services, Advanced product labelling (QR, RFID, DNA markers, NFC labels)
- **Criteria for their selection and impact**

## F. Creating inclusiveness in traceability systems

- The digital divide
- Gender considerations
- Small and medium-sized enterprises
- Integrating developing countries

UNECE-UN/CEFACT "Enhancing Transparency and Traceability for Sustainable Value Chains in Garment and Footwear"

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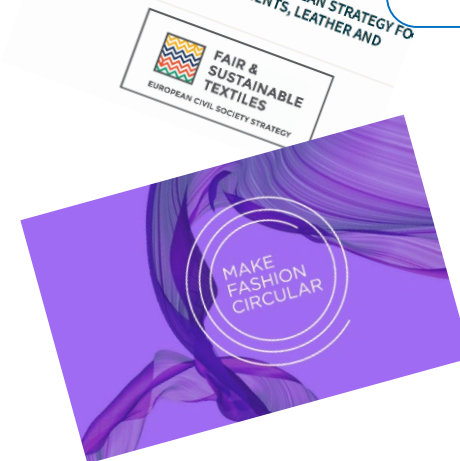
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- The UNECE Policy Recommendation and Implementation Guidelines N° 46  
*Maria Teresa Pisani*
- The Call to Action/Sustainability Pledge  
*Francesca Romana Rinaldi*
- The policy and legal report based on the desk and field research and instruments mapping  
*Claudia Di Bernardino*

The Call to Action invites **all actors** in the garment and footwear industry

to **take action** for traceability and transparency with the goal of **accelerating sustainability and circularity** of value chains

establishing a mechanism for supporting the **implementation** of the measures proposed in the Recommendation



Private initiative

Public initiative

Public-private initiative

Civil society collaboration initiative

Foundation/ Association initiative



## ONGOING

1. Inviting Actors to join the Call to Action

2. Establishing KPIs for the Actions (specific for each stakeholder)

3. Asking about good practices

4. Asking about strategic/public awareness activities

## NEXT STEPS

5. Establishing a Platform for sharing experiences and lessons learned

6. Reaching out to parties in the Call to Action to receive updates on progress

7. Regularly reporting to member States and the general public

8. Inviting member States to formally disseminate information about the Call to Action

United Nations

ECE/TRADE/C/CEFACT/2020/6/Rev.1



**Economic and Social Council**

Distr.: General  
11 March 2021  
English  
Original: English, French, Russian

### Economic Commission for Europe

Executive Committee

Centre for Trade Facilitation and Electronic Business

Twenty-seventh session  
Geneva, 19-20 April 2021  
Item 6 (b) of the provisional agenda

Recommendations and standards:

Deliverables in support of the circular economy

**Call to Action for Traceability, Transparency, Sustainability and Circularity of Value Chains in the Garment and Footwear Sector**

Submitted by the UN/CEFACT Bureau

#### Summary

The sixty-ninth session of the United Nations Economic Commission for Europe (UNECE) will take place on 20-21 April 2021 at the Palais des Nations, in Geneva. The Executive Committee (EXCOM) has decided that the theme of the session will be: "Promoting circular economy and sustainable use of natural resources in the UNECE region" (EXCOM/CONCLU/109 and EXCOM Informal Document No. 2020/38). The United Nations Centre for Trade Facilitation and Electronic Business (UN/CEFACT) and its secretariat have been requested to consider how to contribute to the cross-cutting theme of the UNECE session (ECE/TRADE/C/CEFACT/2020/INF.14 and ECE/TRADE/C/CEFACT/2020/INF.15). In light of this, and in connection with the ongoing UN/CEFACT project on traceability and transparency of sustainable value chains in the garment and footwear sector (ECE/TRADE/C/CEFACT/2020/INF.16), the twenty-sixth Plenary was asked to support a "Call to Action" (ECE/TRADE/C/CEFACT/2020/6) as a contribution of UN/CEFACT to the sixty-ninth session of UNECE (ECE/TRADE/C/CEFACT/2020/2 Plenary decision 20-07). This "Call to Action" invites all actors in the garment and footwear industry to take action for traceability and transparency in order to accelerate the sustainability and circularity of value chains in this industry, in line with the United Nations 2030 Agenda for Sustainable Development. The initiative aims to establish a mechanism to support the uptake of measures in the proposed UNECE Recommendation No. 46 (ECE/TRADE/C/CEFACT/2021/10 submitted for approval to the twenty-seventh session of the UN/CEFACT Plenary) as well as relevant UN/CEFACT standards, and to support the monitoring of their implementation.

Document ECE/TRADE/C/CEFACT/2020/6/Rev.1 is submitted by the UN/CEFACT Bureau and its secretariat to the twenty-seventh session of the UN/CEFACT Plenary for endorsement.

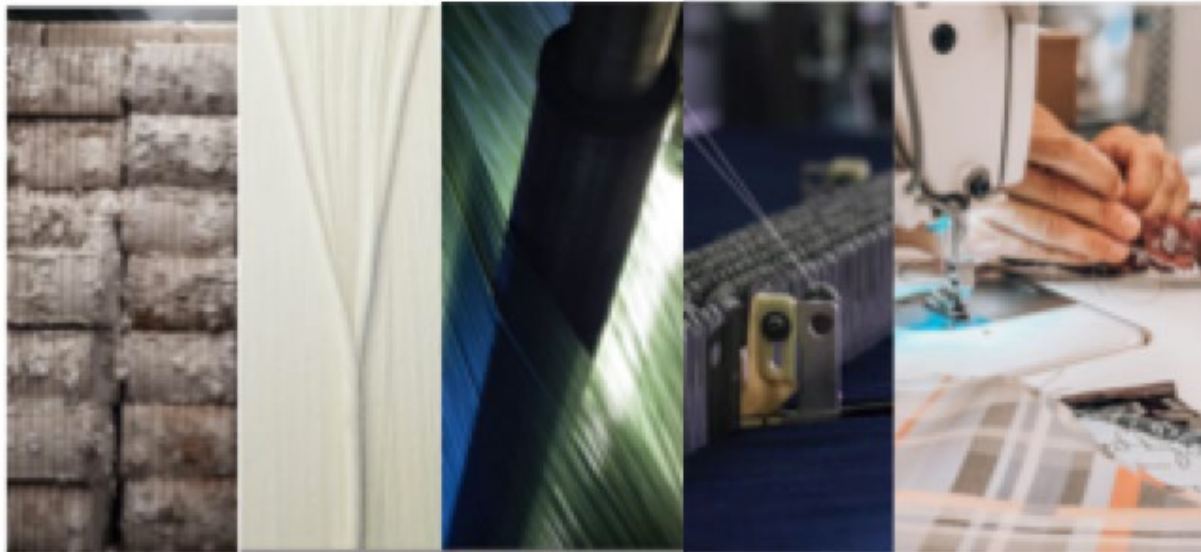
Call to Action:

[https://unece.org/sites/default/files/2021-03/ECE\\_TRADE\\_C\\_CEFAC\\_T\\_2020\\_06\\_Rev1E\\_0.pdf](https://unece.org/sites/default/files/2021-03/ECE_TRADE_C_CEFAC_T_2020_06_Rev1E_0.pdf)

# Inviting actors to join the Call to Action



Find out more at:  
[www.sdabocconi.it/circularfashion](http://www.sdabocconi.it/circularfashion)



**Who:** SDA Bocconi Sustainability Lab 'Monitor for Circular Fashion' *powered by Enel X* (10 Members: 2 Ingredients, 2 brands, 2 Platforms - March 2021 update) *in collaboration with Eco-Age*

**Where:** Italy/Global

**What:** Launching a **Circular Fashion Manifesto** highlighting the importance of Transparency and Traceability as enablers of Sustainability and Circularity

**How:** Through the **identification of industry-specific KPIs and requirements to scale-up circular economy pilot projects** in garment and footwear value chains

## II. Policy

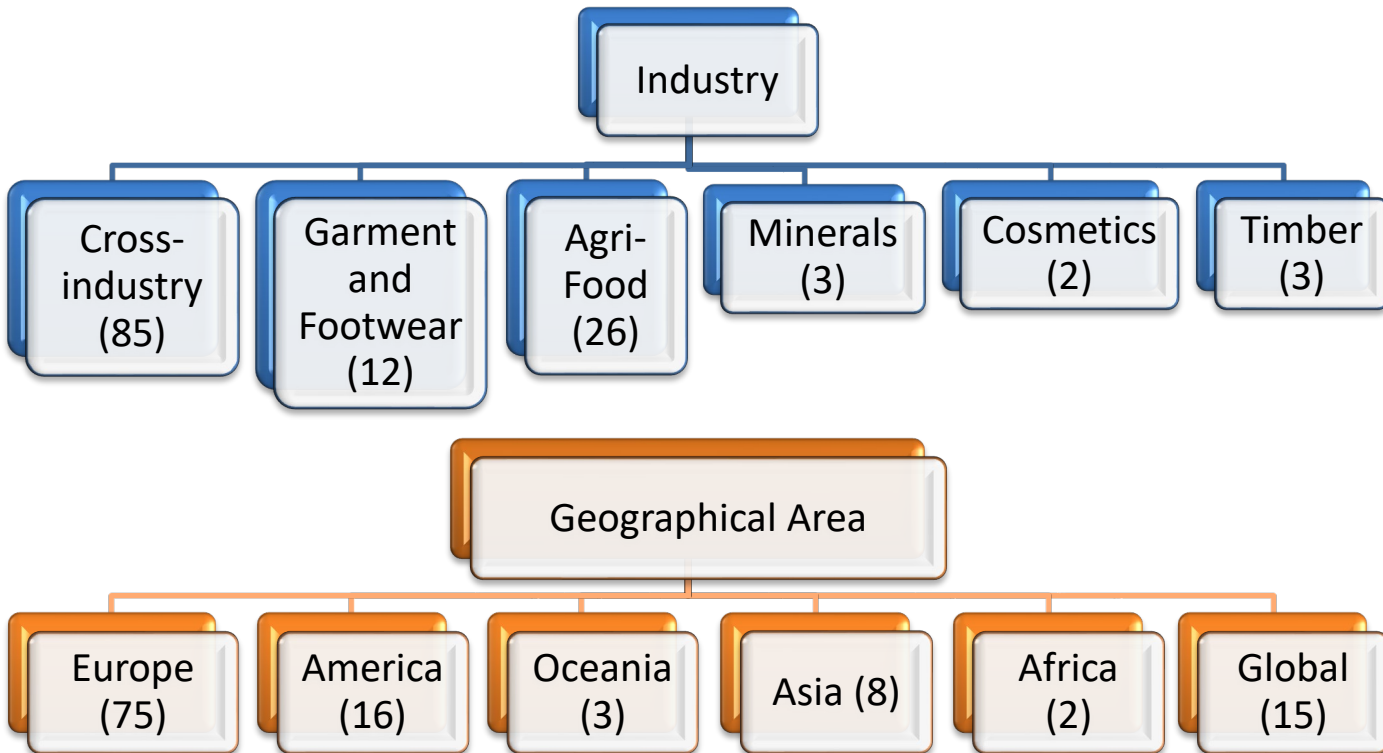
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# 1. Desk Research – Mapping

From February 2020 to February 2021

+100

## Policies, Regulations and Guidelines mapped



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

Mapping of policies, regulations and guidelines for traceability and transparency of value chains

### The context

Traceability and transparency of value chains are a key driver of sustainable production and consumption, promoter of human rights and decent work, and vehicle for health and well-being for all. In fact, the implementation of traceability and transparency systems can efficiently address information asymmetry, thus enhancing accountability and trust.

In order to devise supporting measures and approaches, an analysis of national, European and international policies, regulations, guidelines and initiatives was carried out, providing an overview of the existing frameworks to advance traceability, transparency, sustainability and circularity in value chains, with a focus on the garment and footwear industry.

The aim was to identify relevant measures adopted for different industries, to gain an insight on the relevance and impact of such measures for an integrated and coherent approach. This also allowed to highlight specific gaps in the garment and footwear sector where a collaborative effort from all stakeholders is needed.

The result is a mapping that shows what governments and international organizations have already done in different industries and presents a backdrop for actions required for the development and scaling up of an enabling infrastructure to advance traceability and transparency in the garment and footwear sector, while promoting responsible management in global value chains.

This mapping is conducted in the context of the UNECE – UN/CEFACT project for “Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector”, which aims at supporting the industry’s contribution to achieving the Sustainable Development Goals (SDGs) of the UN 2030 Agenda, particularly those related to inclusive and sustainable economic growth and decent work (SDG8), resilient and sustainable infrastructure, industrialization and innovation (SDG9) and sustainable consumption and production patterns (SDG12).

### Methodology and research process

The approach for assessing the measures to be adopted by policy makers and industry players to advance traceability and transparency in the garment and footwear industry, and included in the UNECE Recommendation N°44, draws upon an in-depth analysis of a wide array of existing instruments from countries and organizations worldwide.

In particular, the desk review has covered instruments from several geographical areas, binding and non-binding, and included in the UNECE Recommendation N°44, drawn upon an in-depth analysis of a wide array of existing instruments from countries and organizations worldwide.

For each instrument, the mapping provides a short description, an overview of the specific provisions related to traceability and transparency, the source and other relevant information, such as the type of instrument, when it was enacted and when it came into effect, as well as enforcement conditions and related sanctions.

### Key findings

The mapping outlines that the policy and regulatory framework is fast changing, particularly at the European level, since governments and institutions are increasingly recognizing, across diverse sectors, the fundamental role of traceability and transparency to accelerate the transition towards circularity and to empower consumers and business to make more responsible consumption and production choices. The analysis emphasizes the following key aspects:

- ➔ **Legislation on traceability and transparency:** On one side the existence of comprehensive and strict mandatory legislation covering traceability in the food products and related sectors in several countries (among others: Chinese Food Safety Law, 2015; US Food Safety Modernization Act, 2011; Japanese Beef Traceability Act, 2003; EU Regulation 1774/2002), and on the other side the lack of specific requirements concerning products, processes and organizations’ traceability in garment and footwear value chains. However, European institutions are starting to develop measures to strengthen supply chain traceability aiming at creating sustainable value chains, avoiding misleading practices and improving transparency of garment and footwear production, processes and organizations globally (among others: Chemical Strategy for Sustainability, 2020; EU Circular Economy Action Plan, 2020; EF Resilience on the EU Flagship Initiative on the Green Sector, 2015; Commission Staff Working Document on Sustainable Garment Value Chains through EU Development Action, 2017).
- ➔ **Due diligence:** The existence of several international guidelines (among others: OECD Due Diligence Guidance for Responsible Supply Chains in the Extractive and Forestry Sectors, 2018; national legislation and legislative proposals that require mandatory transparency or mandatory due diligence in order to encourage enterprises to take responsibility towards the respect of human rights and the environment throughout their supply chains and downstream operations (among others: Canadian Modern Slavery Act, 2020; French Civil Code (France), 2016; Dutch Child Labor Due Diligence Law, 2019; Australian Modern Slavery Act, 2018; French Duty of Vigilance Law, 2017; US Trade and Investment Administration Act, 2016; UK Modern Slavery Act, 2015; EU Directive on Non-Financial Information, 2014; California Transparency in Supply Chains, 2010).
- ➔ **Harmonized policies of European and international level** are needed in order to create a level playing field on enterprises across jurisdictions and to secure a remedy for victims of corporate human rights and environmental violations (among others: EU Due Diligence Legislation by 2021; EU Conclusions on Global Value Chains, 2016; EU Conclusions on Business and Human Rights, 2016).
- ➔ **Sustainability claims:** Another positive trend is the steps European institutions are taking to substantiate sustainability claims to provide consumers with clear, trustworthy, easy to understand and verifiable information empowering consumers and encouraging enterprises to make responsible consumption and production choices (among others: New Consumer Agenda, 2021; EU initiative on substantiating green claims, 2020; EU Circular Economy Action Plan, 2020; EF on the EU Flagship Initiative on the Green Sector, 2017). In order to achieve this objective, key actions to consider resulting from the analysis are, among others, the following: the adoption of a standard methodology to assess the impact of companies on the environment, the development of clear guidelines and standards on sustainability claims and the introduction of a stronger monitoring and enforcement system to tackle outstanding claims (EF Resilience Towards a more Sustainable Single Market for Business and Consumers, 2020; European Green Deal, 2019).
- ➔ **Circularity:** The commitment, particularly at the European level, to put in place legislative and non-legislative measures related to traceability and transparency for the transition to a circular economy (among others: Chemical Strategy for Sustainability, 2020; EU Circular Economy Action Plan, 2020).
- ➔ In order to contribute to the circularity of products placed on the EU market, the European Union is putting in place a EU Strategy on textiles with specific measures on traceability and transparency, for linking the process of business-to-business and empowering consumers and public buyers by disclosing trustworthy and relevant information about products at the point of sale.
- ➔ **Digitalization:** The key role of digitalization to track the journey of products and processes and make the resulting data securely accessible (EU Circular Economy Action Plan, 2020; Digital Strategy, 2020). Advanced technologies and digital solutions such as blockchain, product passports, and DNA markers can support traceability systems in the exchange of data between stakeholders allowing information to travel with products and materials across a value chain, their contribution to reduce transparency.
- ➔ **Incentives:** The majority of laws do not take into account incentives for companies that are instead fundamental to increase the adoption of traceability systems considering also the costs associated with their development. Therefore, the desk research points out the need to provide technical and non-financial support for companies and especially SMEs and micro-enterprises. Public procurement can be used for the promotion of a responsible garment and footwear industry with the inclusion of green and social criteria into public purchasing policies as currently provided by legislation in several countries such as United States, South Africa, India, Austria, and Germany.
- ➔ **Informal actors, women and other vulnerable groups:** The lack of inclusion of informal actors, women, homeworkers and other vulnerable groups in the traceability and due diligence processes. Therefore there is a need to establish social and economic protective policies and legislation to support these actors and to ensure inclusive approaches of traceability systems, including participation of their representatives, reliable data also through leveraging digital technologies, greater transparency and accountability (OECD, 2019; Joint Staff Working Document on Gender Equality and Women’s Empowerment, 2019; Commission Staff Working Document on Sustainable Garment Value Chains through EU Development Action, 2017).

These key findings lead to advocate for a coherent policy and regulatory framework on traceability and transparency in the garment and footwear sector considering their enabling role for sustainability and circularity in value chains.

## 2. Field Research – Experts’ Interviews

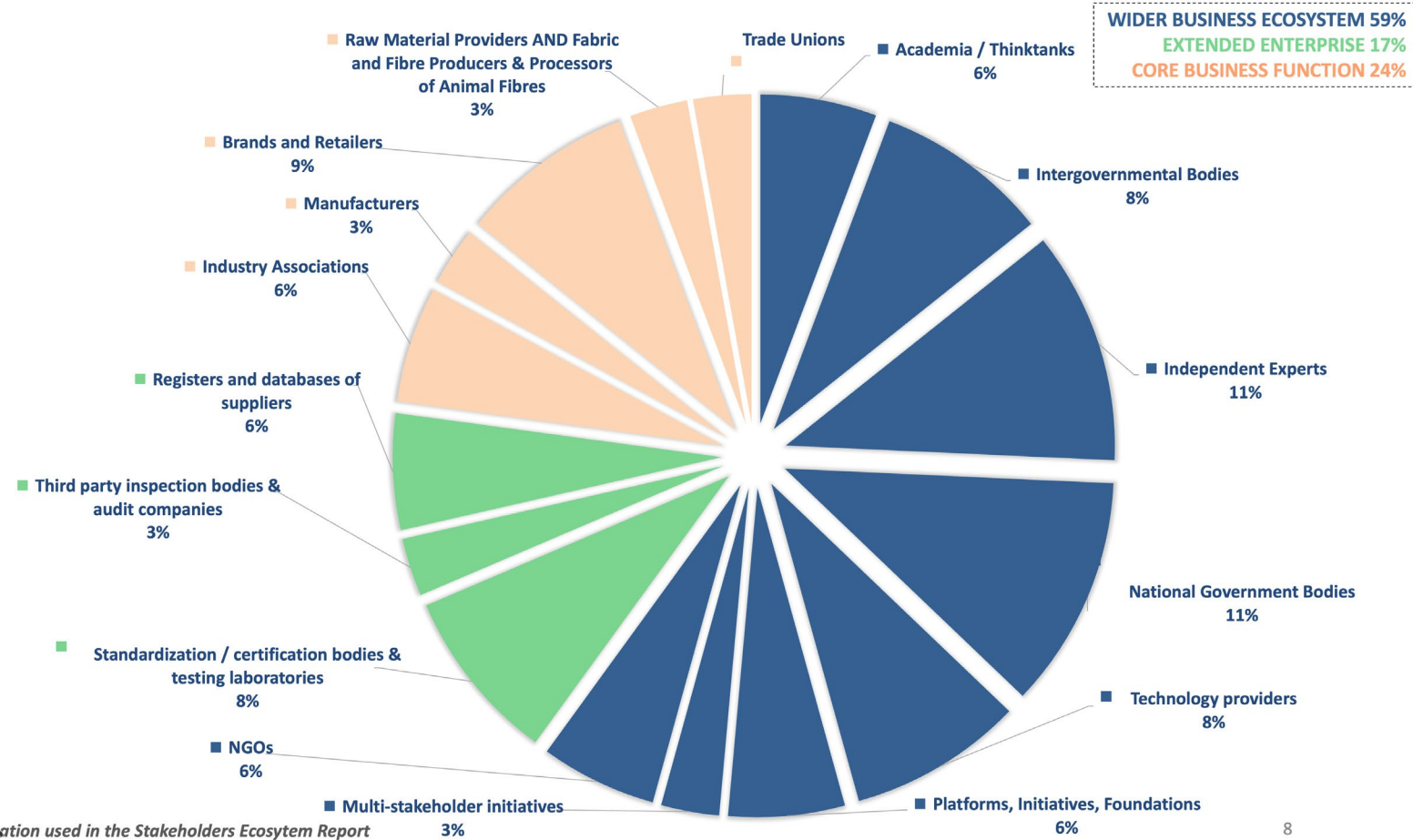
From January to April 2020

### Experts’ Interviews

35 Multi-Stakeholder In-depth Interviews

Garment and Footwear experts  
Other industries experts

27 Questions



Categorization used in the Stakeholders Ecosystem Report

# 3. Key Takeaways from the Desk & Field Research and Next Steps

## Key Takeaways

- 1 Circularity
- 2 Sustainability Claims
- 3 Due Diligence
- 4 Digitalization
- 5 Informal Actors and Other Vulnerable Groups
- 6 Incentives

Takeaway 1

- ▣ Tackling the Presence of Hazardous Chemicals
- ▣ Empowering Consumers and Companies to Sustainable Consumption and Production

Circularity

Takeaway 2

- ▣ Methodology to Assess Companies' Impacts
- ▣ Guidelines and Standards
- ▣ Stronger Monitoring and Enforcement System

Sustainability Claims

Takeaway 3

- ▣ Common Approach to Create a Level Playing Field
- ▣ Minimum Requirements

Due Diligence

Takeaway 4

- ▣ Tracking the Journey of Products and Processes
- ▣ Making Data Securely Accessible

Digitalization

Takeaway 5

- ▣ Participation of their Representatives
- ▣ Reliable Data also through Leveraging Digital Technologies
- ▣ Transparency and Accountability

Informal Actors and Vulnerable Groups

Takeaway 6

- ▣ Financial and Non-Financial
- ▣ Tailor-made Support for SMEs

Incentives

## Next Steps

Report's Publication with the Result of the Desk and Field Research

## III. Information exchange standard

- The Business Requirements Specification (BRS) for Traceability and Transparency in the Textile and Leather Sector:
  - Part I High-Level Process and Data Model
  - Part II Use Cases and CCBDA Data Structures*Gerhard Heemskerck*

- The Business Process Analysis for Textiles
- The Business Process Analysis for Leather

*Virginia Cram-Martos, Deborah Taylor, Marco Ricchetti*



2020

2021

Today

Business Requirements Specification

Internal Review

Public Review

Processing Review Comments

Bureau Approval

Submit Data for UNCCCL

Approval Data UNCCCL

Message Assembly

XML Schemas

JUL AUG SEP

OCT

NOV DEC

JAN

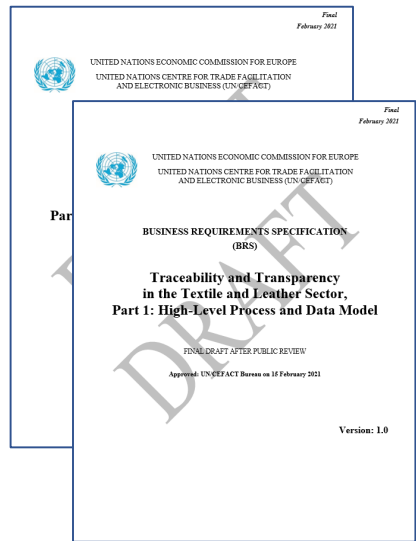
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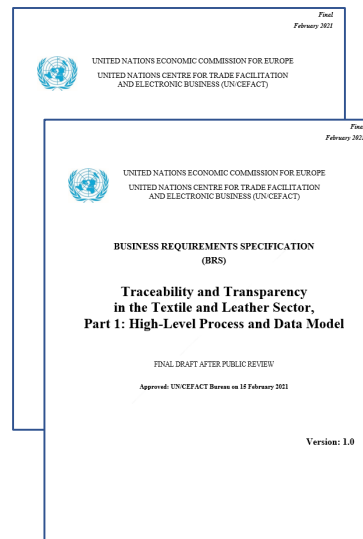
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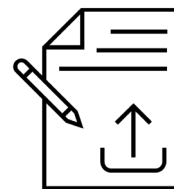
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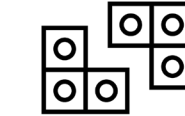
BRS - DRAFTs



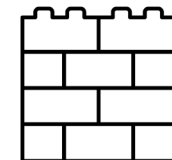
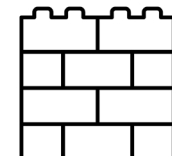
BRS - APPROVED



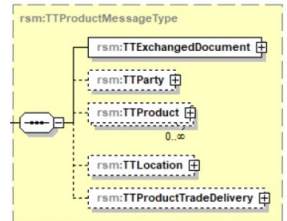
DATA SUBMITTED



DATA APPROVED

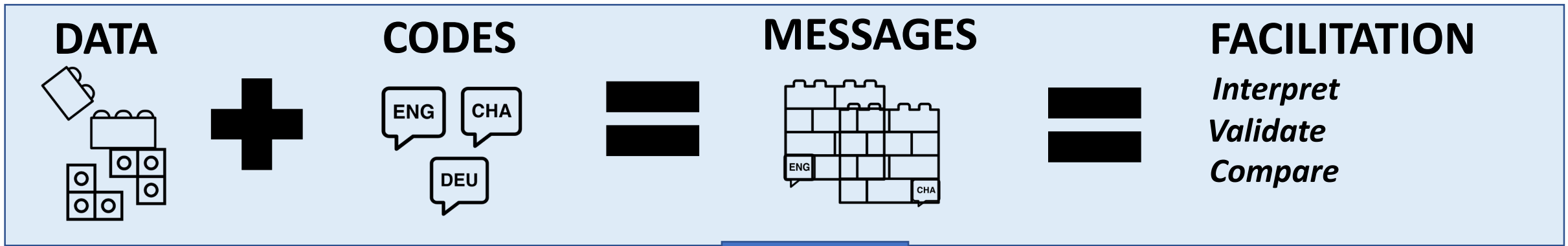


MESSAGES BUILT



XML SCHEMAS CREATED



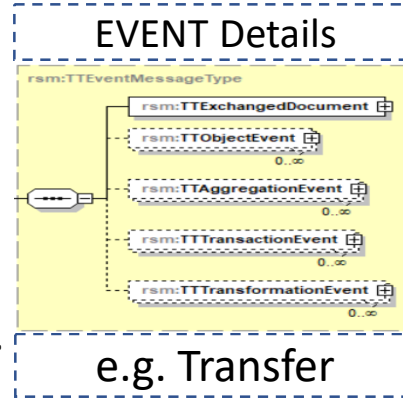
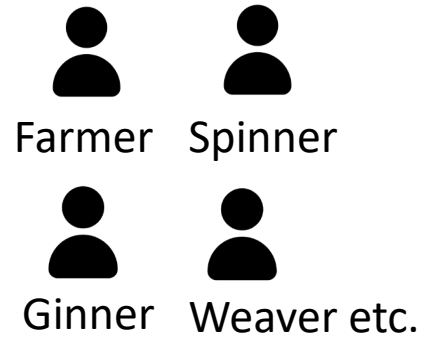


UNCEFACT	Code lists	Common
Document Type Codes Inventory Type Codes Process Type Codes . . . .		

Other standards	Code lists	Specific
 	  	  
Species Sustainability Areas . . . .	Sustainability Criteria Product Classifications	Chemicals Materials Methods Parameters

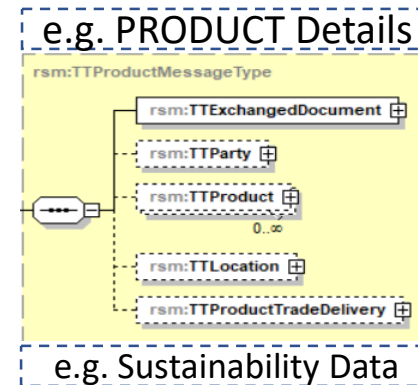
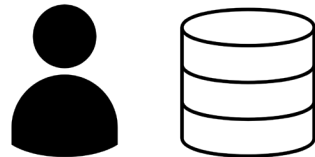
# UN/CEFACT STANDARDIZED MESSAGES

## Traceability



Concept used in cotton Blockchain pilot

## Transparency



Bilateral use additional info on sustainability

## III. Information exchange standard

- The Business Requirements Specification (BRS) for Traceability and Transparency in the Textile and Leather Sector:
  - Part I High-Level Process and Data Model
  - Part II Use Cases and CCBDA Data Structures

*Gerhard Heemsker*

- The Business Process Analysis for Textiles
  - The Business Process Analysis for Leather
- Virginia Cram-Martos, Marco Ricchetti, Deborah Taylor*



# Business Process Analysis (BPA) For Enhancing Traceability and Transparency

## 3 Objectives – 3 Questions to Answer

- 1) **What Data? – Completed**
- 2) **What Transparency Processes and Activities? – Completed**
- 3) **Where, When, Who to Find/Create the Needed Data? – In Progress**

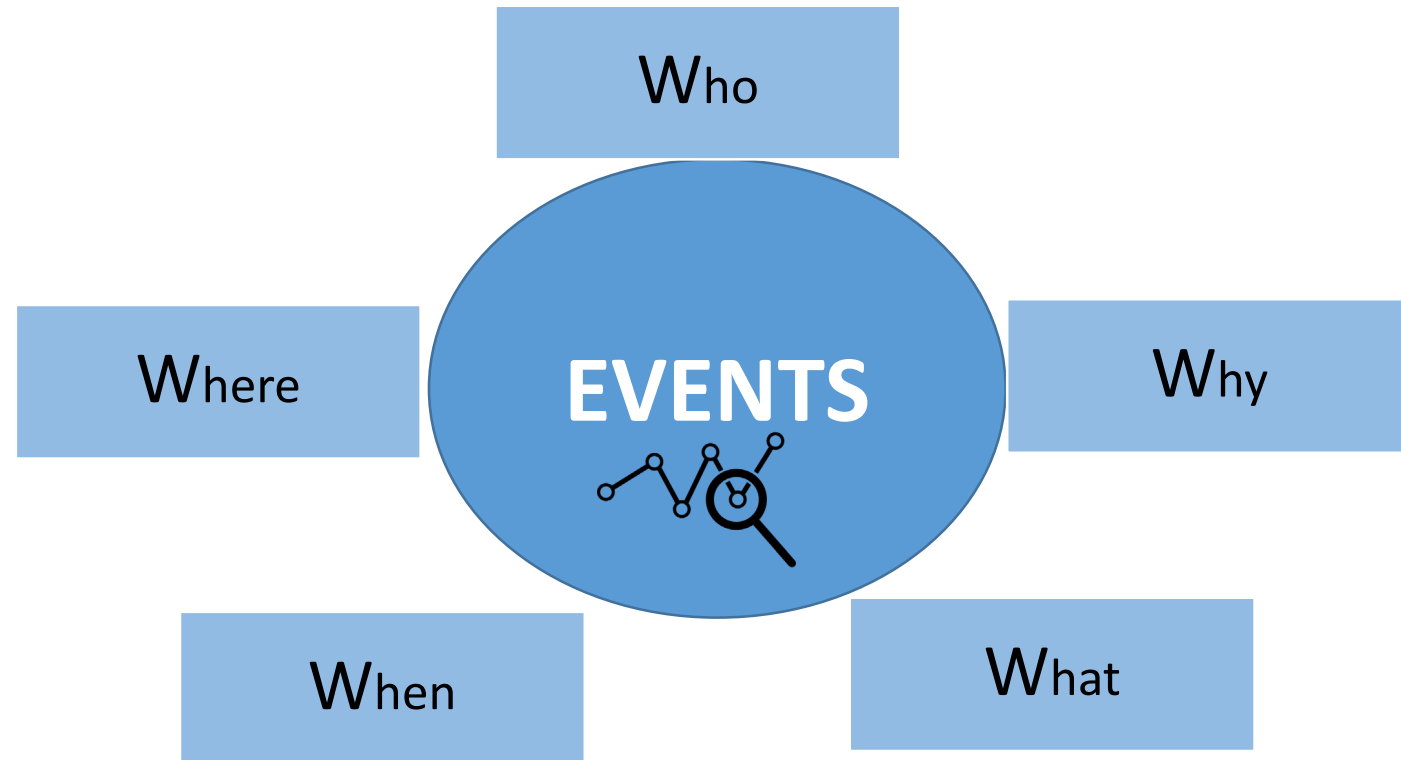
**UN / CEFAC**



For value-chain processes

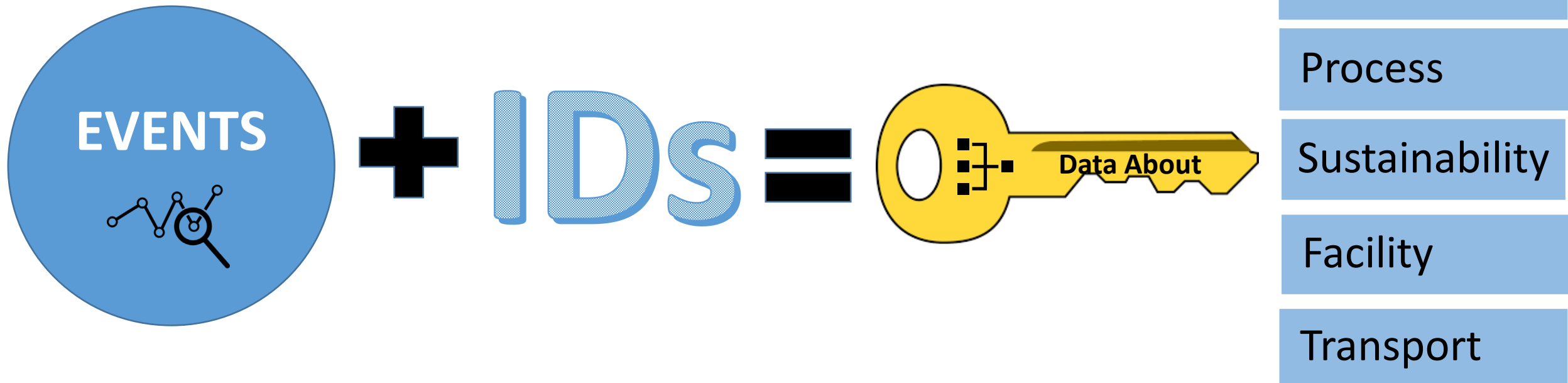


For Traceability : the 5 Ws created around events



# BPA Objective 1 - Identifying WHAT DATA is needed?

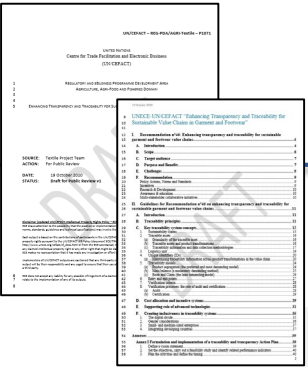
To find data for verifying claims  
5-W event data is the Key



# BPA Objective 1 - Identifying WHAT DATA is needed?

For Transparency: the data to verify claims

**UN/CEFACT**  
Policy Recommendation, Part II - Guidelines



Product-related information	Process-related information	Facility-related information	Transport-related information
<b>Origin →</b> - Country and/or Region  <b>Composition →</b> - Materials components - Product components  <b>Technical Specifications →</b> - Materials specifications - Product specifications  <b>Product identification (IDs) →</b> - Individual product/material - Product/material batch - Product/material trade unit  <b>Quality →</b> - Characteristics - Inspections - Certificates/audit reports (product/materials)  <b>Other management information →</b> - Cost(s) - Sales data - Surplus or damaged materials/product - Risks  <b>Sustainability →</b> See table below on sustainability data	<b>Process inputs and outputs →</b> - Input volumes/weights - Output volumes/weights  <b>Process events occurrence →</b> - Data - Time  <b>Process identification (IDs) →</b> - Process (product) inputs - Process (product) outputs - Type of process - Equipment (machine) - Machine operator  <b>Sustainability →</b> See table below on sustainability data	<b>Economic-operator details →</b> - Supplier - Manufacturer - Subcontractor  <b>Location →</b> - Main production unit(s) - Subordinate production unit(s)  <b>Facility &amp; economic-operator identification (IDs) →</b> - Economic Operator - Main facility - Subordinate facility  <b>Sustainability →</b> See table below on sustainability data	<b>Economic-operator details →</b> - Transport or freight forwarding company - Owner/Operator of the means of transport  <b>Location →</b> - For picking up logistics units - For delivering logistics units  <b>Transportation (IDs) →</b> - Logistics Units - Conveyance means (truck, railcar, ship, container if applicable)  <b>Sustainability →</b> See table below on sustainability data

**Product**



- Origin
- Composition
- Technical Specifications
- Product identification (IDs)
- Quality
- Other management information
- Sustainability

**Process**



- Process inputs and outputs
- Process events occurrence
- Process identification (IDs)
- Sustainability

**Facility**



- Economic-operator details
- Location
- Facility & economic operator identification (IDs)
- Sustainability

**Transport**

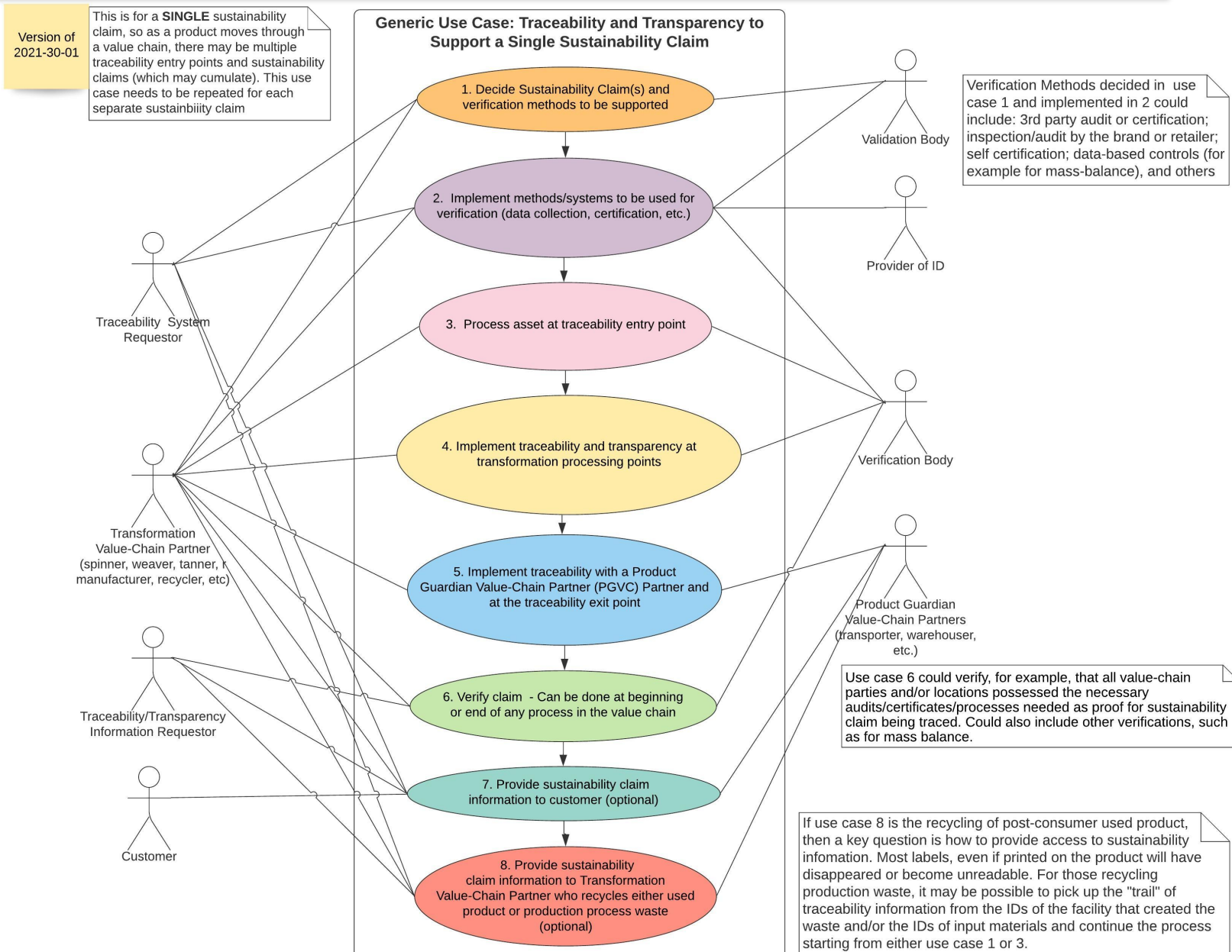


- Economic-operator details
- Location
- Transportation (IDs)
- Sustainability

# BPA Objective 2 - What processes and activities are needed for Traceability & Transparency?

Identified in the Generic Traceability Use-Case Model with its

- 8 Generic Processes
- 8 Generic Participants
- 8 Detailed Activity Diagrams and Business Process Descriptions (one for each process)

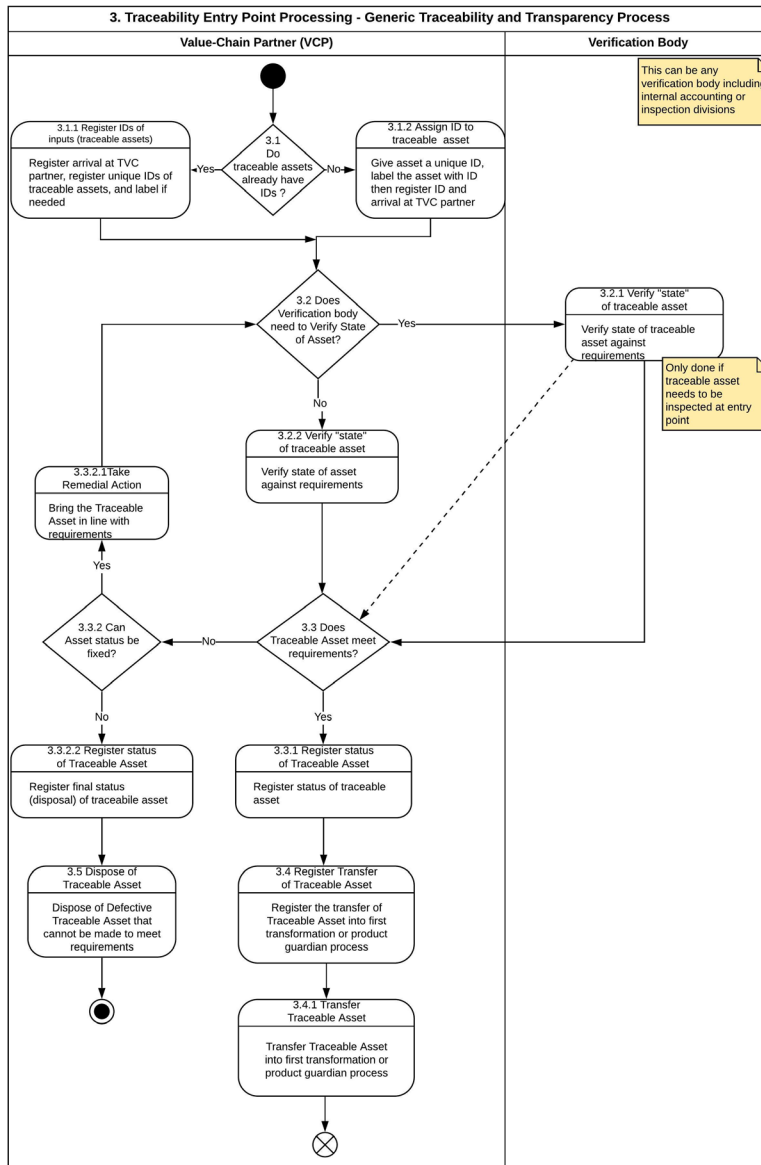




# BPA Objective 3 – Where, When, Who to find/create the data?

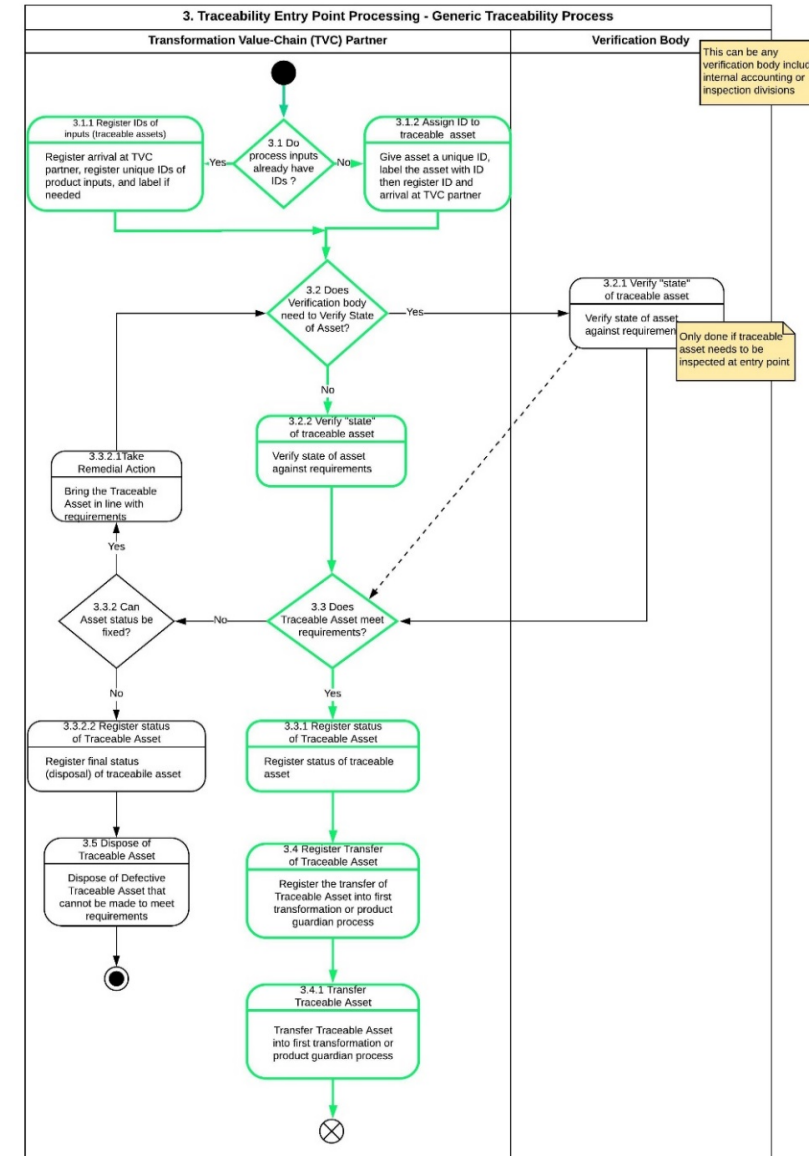
## Step 1 Take a Generic Traceability Process

## Here is Generic Traceability Process 3, Traceability Entry Point Processing



## Step 2 Trace the most likely “path” through the process for a given value chain or value-chian process

Here, traced in green, is the most like likely path to be taken within Generic Traceability Process 3, by a leather value-chain process

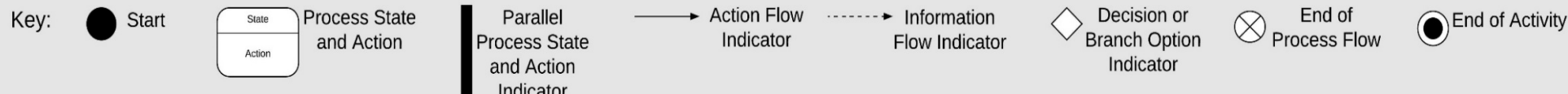
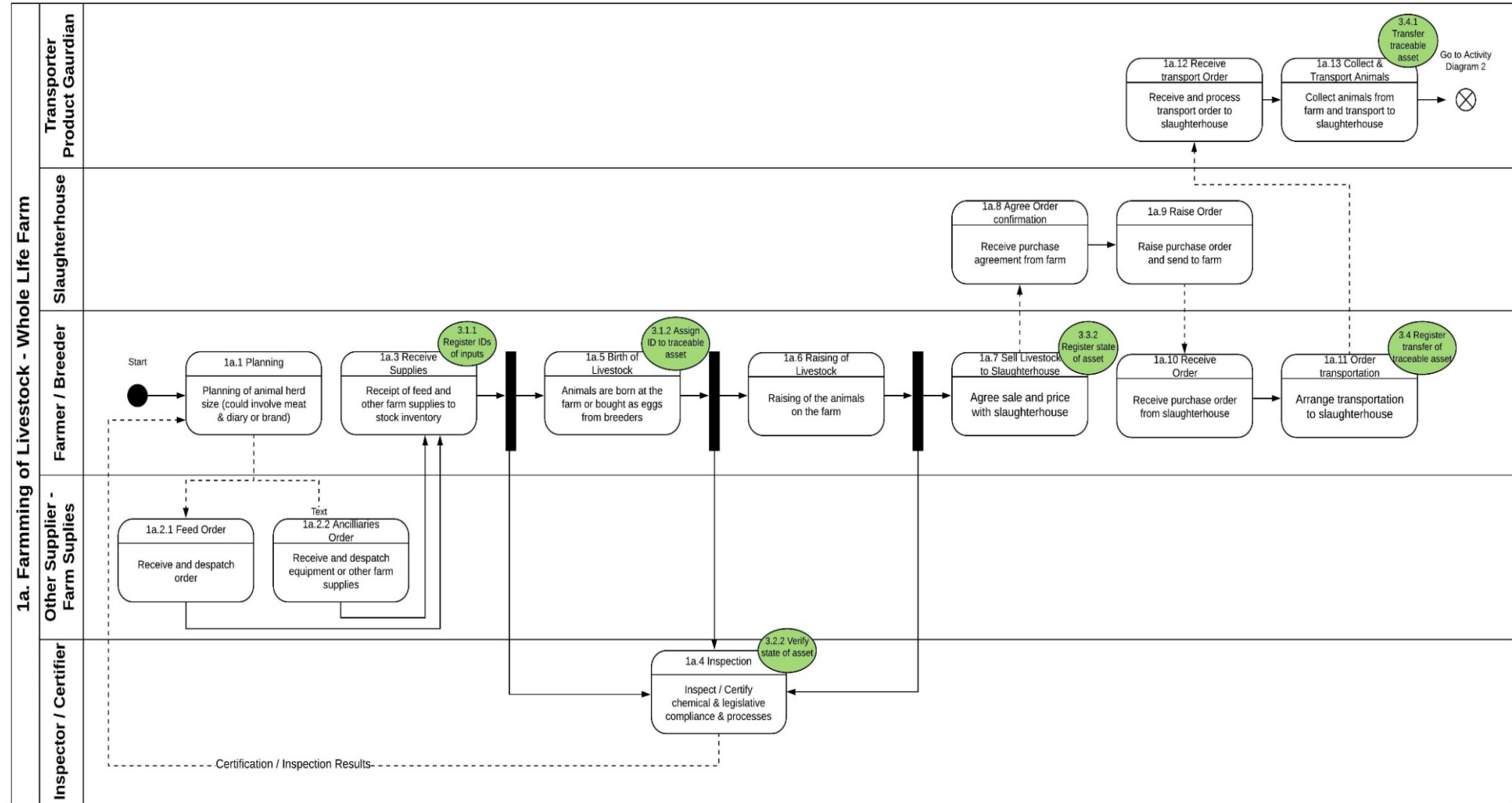


## Results

Identify in a value-chain activity diagram, the activities where the Generic Activity Processes (i.e. the boxes previously highlighted in green) could be implemented.

This example is using a leather value-chain process and the matching activities are marked with green ovals.

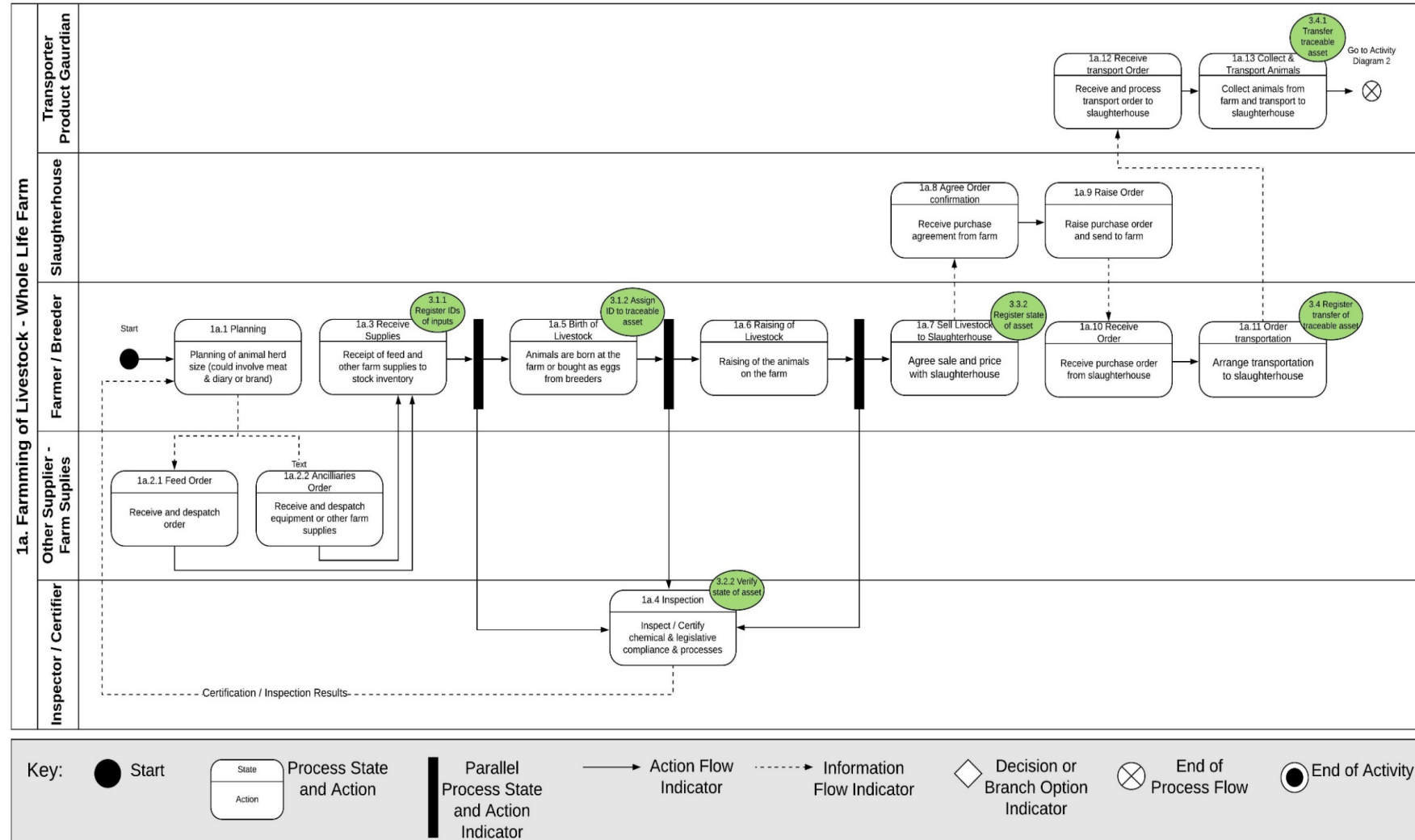
If there is no “match” then a new activity will need to be added to the value-chain process in order to fully implement traceability.



## Overlay of Generic Process 3 - Traceability Entry Point Processing onto Farming of Livestock (Whole Life Farm) in the Leather Value Chain

If you work in a Leather Value Chain, you could

- 1) Look at this diagram, compare it to your processes and, if needed modify it
- 2) Use this diagram, to identify
  - Where data already exists
  - Who has that data
  - When in the value chain process they have the data
  - Where additional data needs to be collected



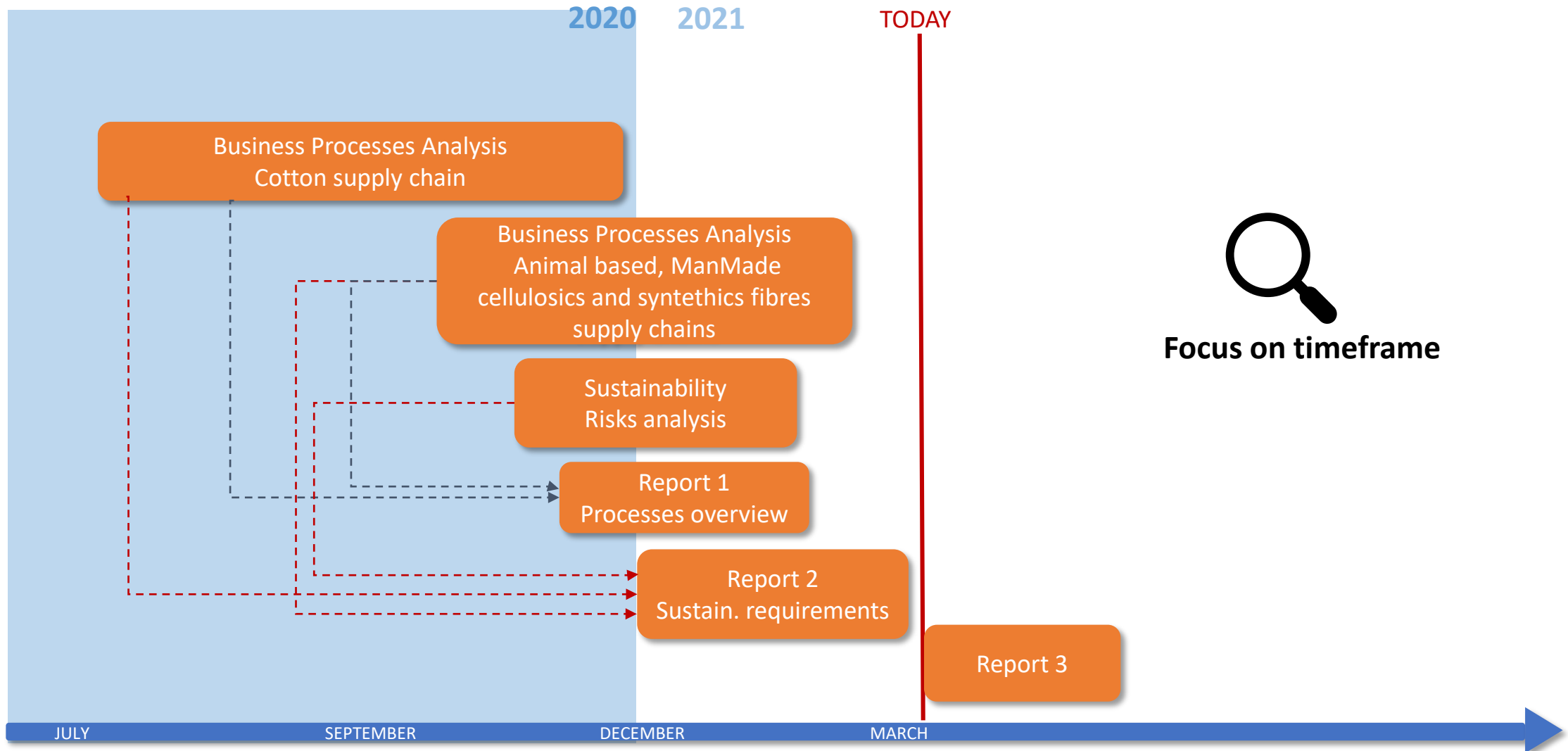
## III. Information exchange standard

- The Business Requirements Specification (BRS) for Traceability and Transparency in the Textile and Leather Sector:
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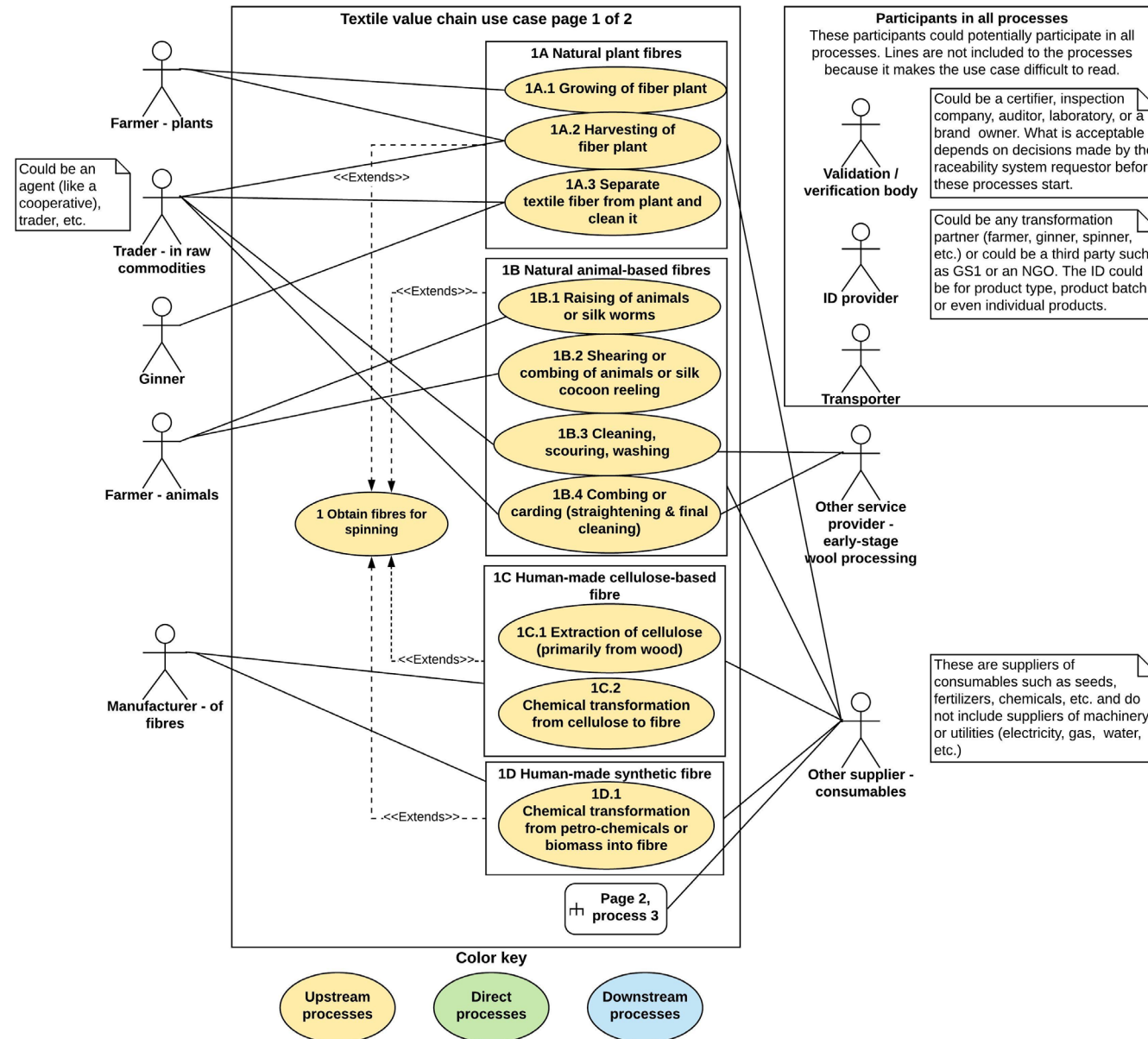




## The incorporation of

- ✓ Animal based
- ✓ Man-made cellulosic
- ✓ and synthetic fibres

## into the business process analysis



**The Sustainability Risks Analysis** for every single process and fibre value chain is based on the UNECE secretariat's compilation of risks from several sources:

- ✓ **OECD** Due diligence guidance in the garment and footwear sector (2018)
- ✓ **ITC** Standards map
- ✓ **UNEP** Draft report for circularity and sustainability in textile value chains (2020)

Related laws, rules, regulations	
Sustainability Risks, Criteria and Verification	Sustainability risks (hot spots) within this process
ENVIRONMENTAL	Insecticides, pesticides and fertilizers use
	Hazardous chemicals and toxics use
	Water consumption and pollution Lack of wastewater treatment
	Greenhouse gas emissions and air pollution
	Energy consumption/efficiency, CO2 emissions, , Energy efficiency of equipment/machineries
	Soil and land degradation
	Resource and fossil fuel depletion, Extensive land use
	Biodiversity, Ecosystems depletion, Lack of biodegradability
	Deforestation, Habitat loss
	Waste
	Animal welfare (animal-based fiber) , Lack of freedom from hunger, thirst and malnutrition, physical and thermal discomfort, pain, injury and disease, fear and distress, lack of freedom to express normal patterns of behaviour
SOCIAL	Child labour
	Forced and compulsory labour/Slavery and forced labour
	Sexual harassment, Gender inequality, Discrimination
	Lack of freedom of association and right to collective bargaining, Disciplinary practices
	Low wages, Non-compliance to minimum wage legislation
	Excessive working hours
	Occupational health and safety, Lack of economic rights/social security, Limited social security, Temporary employment
ETHICS	Bribery and corruption
ECONOMIC, MANAGEMENT, QUALITY	Consumers and community protection, Negative influence on responsible consumption patterns, Lack of product quality/durability

## III. Information exchange standard

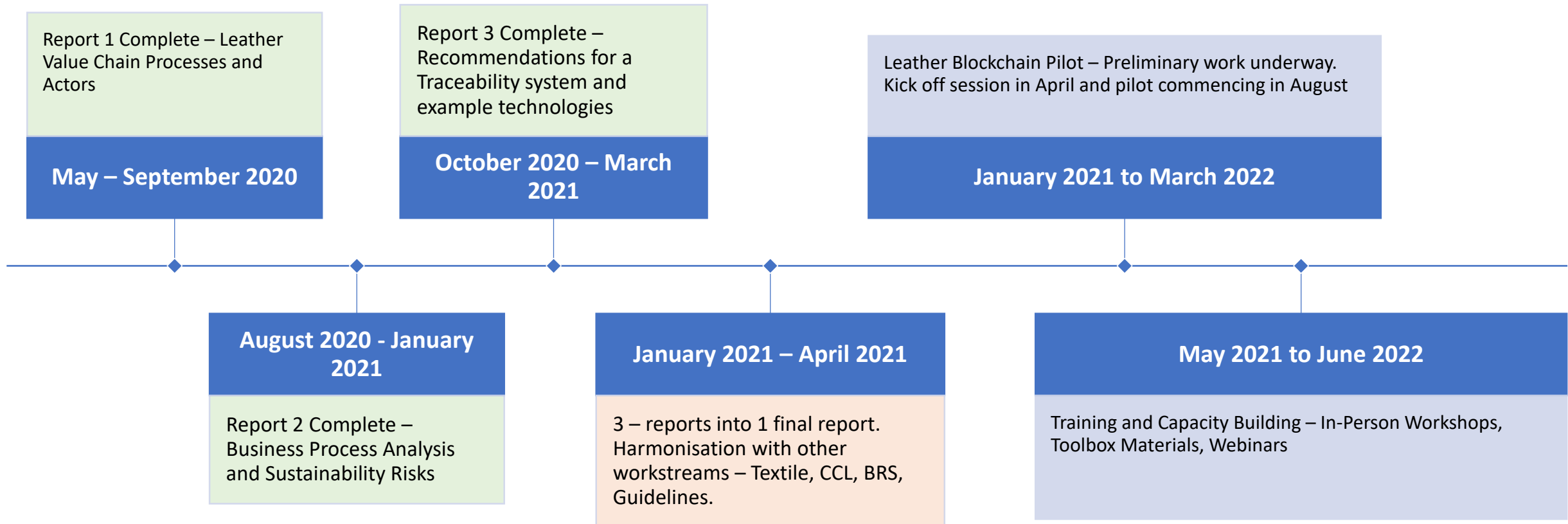
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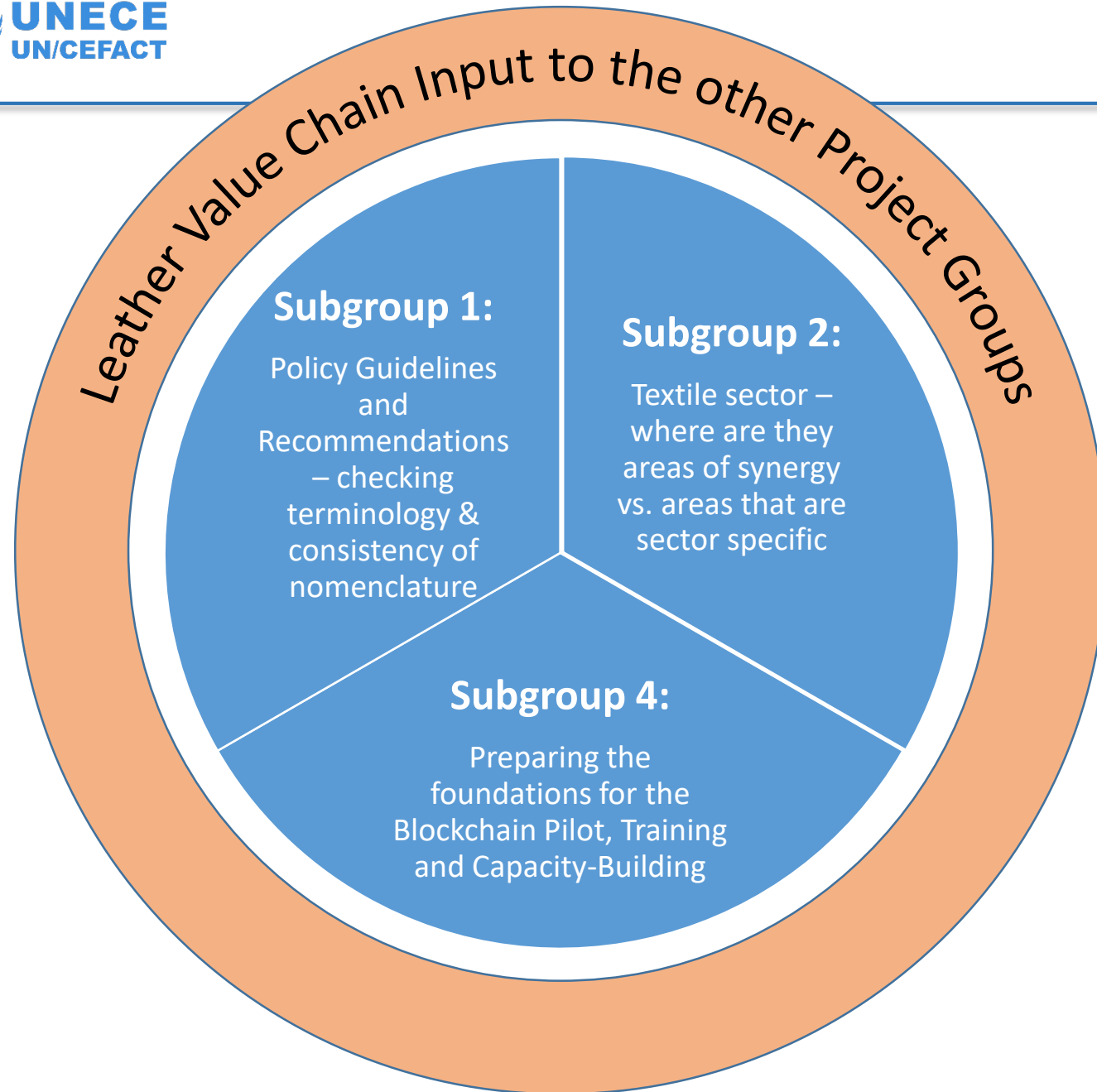
*Gerhard Heemsker*

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  - The Business Process Analysis for Leather
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Working together with the other workstreams now to bring cohesiveness to the project

## III. Blockchain system

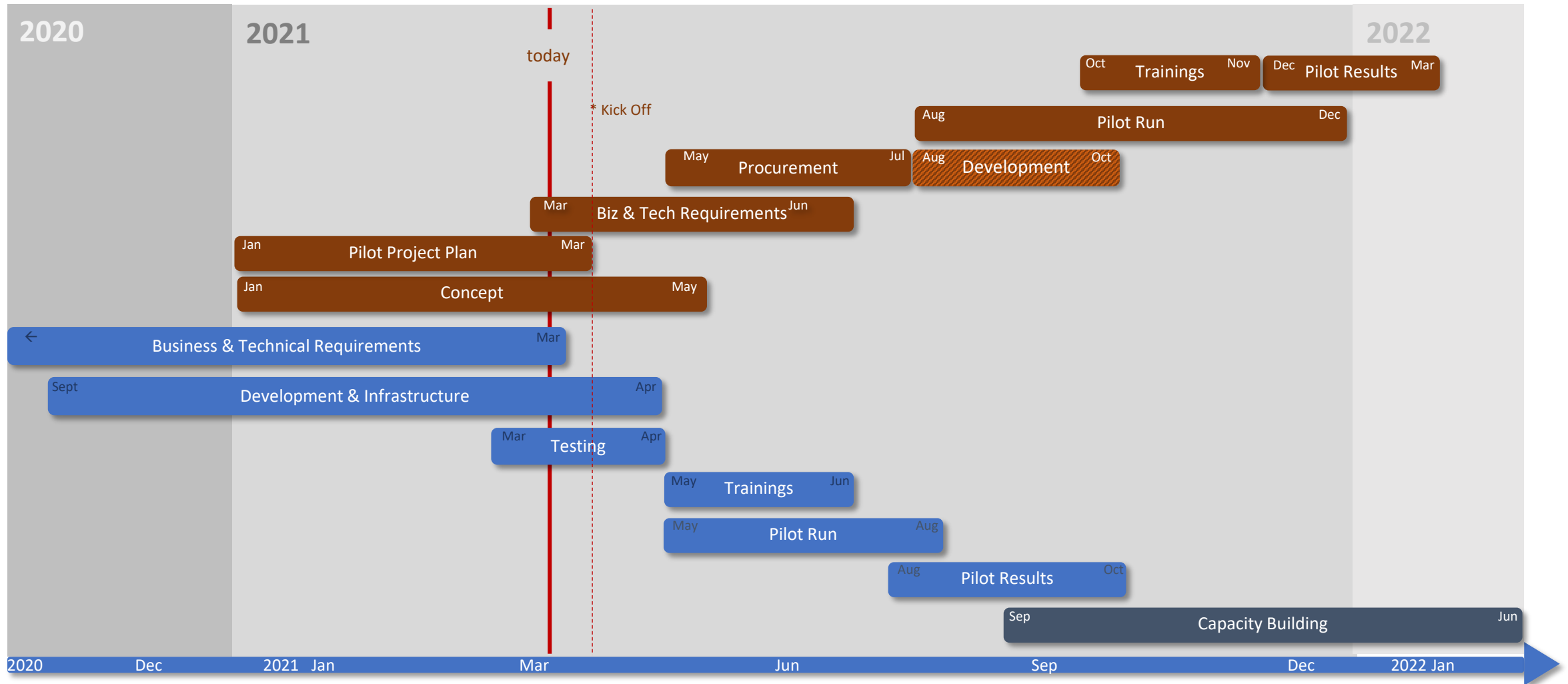
- The blockchain pilots for 1#Cotton and #2Leather

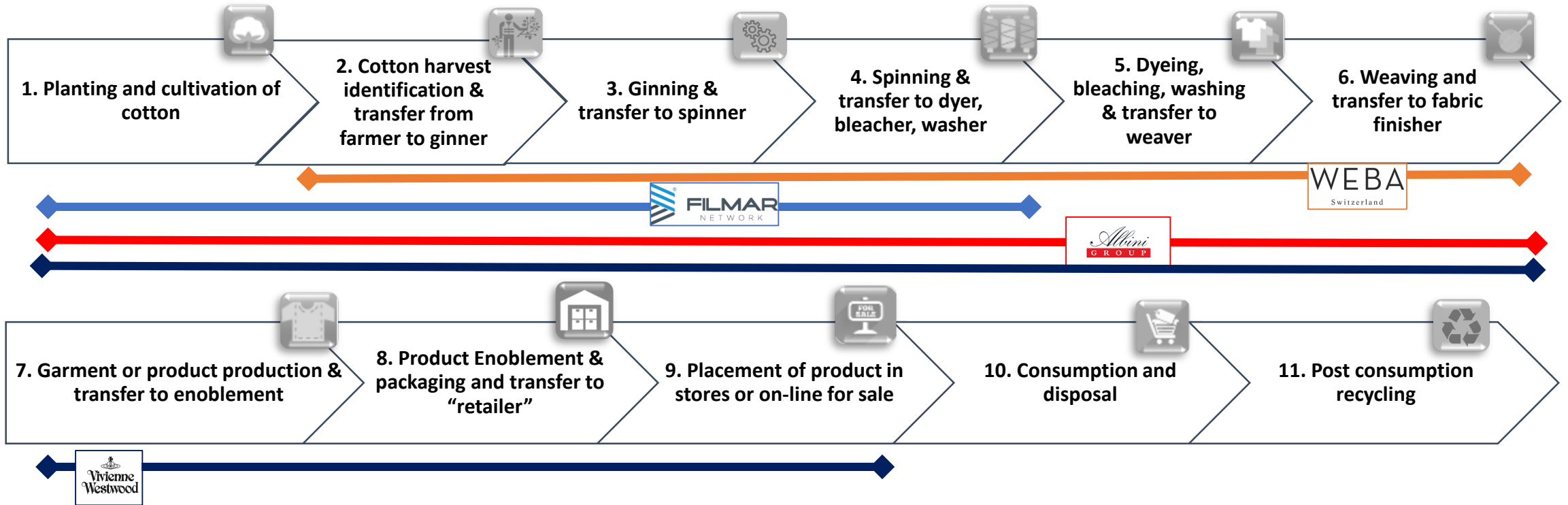
*Andrea Redaelli, Giacomo Poretti*




Pilots - Implementing blockchain technology for traceability and due diligence in the value chain in support of a circular economy

## PILOTS TIMELINE

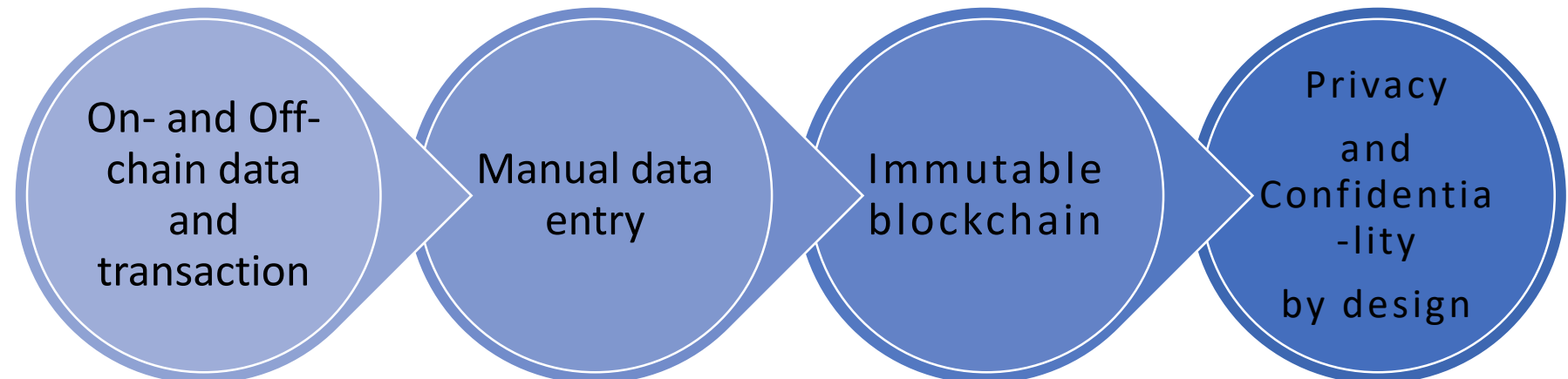
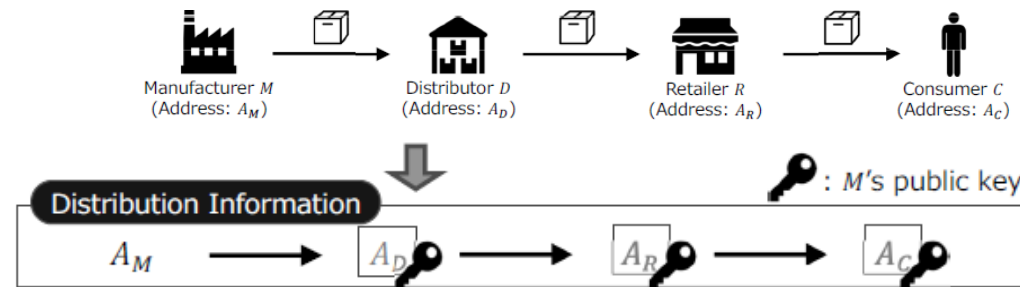
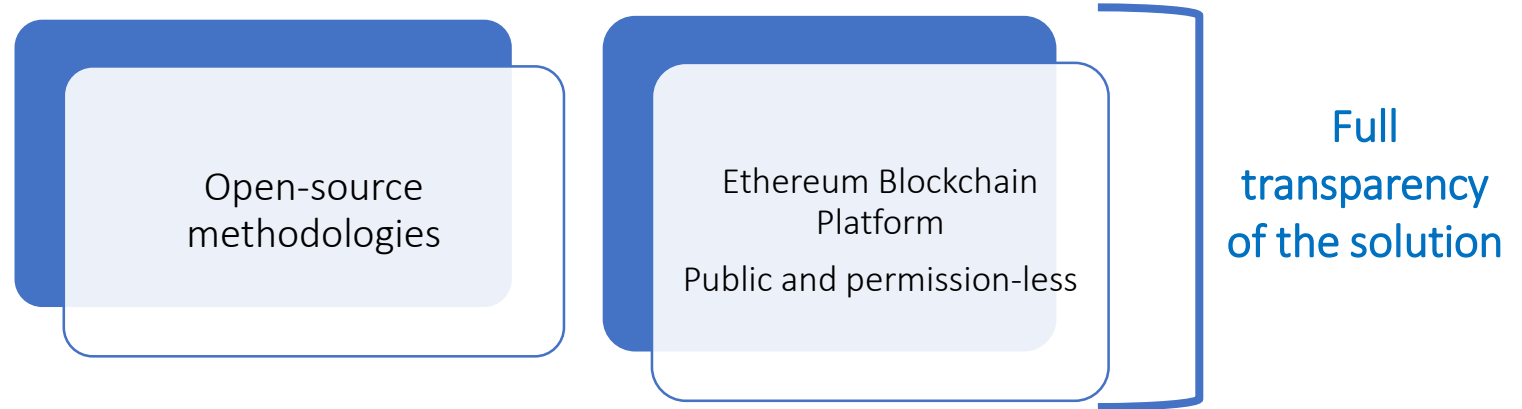
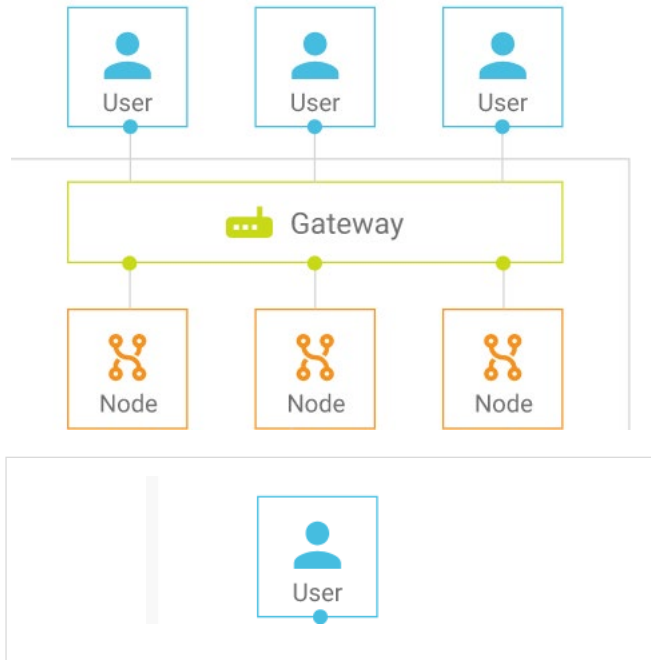




<p><b>Material Value Chains</b></p> <ul style="list-style-type: none"> <li>American cotton</li> <li>Egyptian cotton</li> <li>Recycled denim</li> <li>Recycled cotton tbc</li> <li>Denim tbc.</li> </ul>	<p><b>Set of claims</b></p> <ul style="list-style-type: none"> <li>Origin</li> <li>Fibre content</li> <li>Chemical use</li> <li>Due Diligence (Social/Environmental)</li> </ul>	<p><b>Services</b></p> <ul style="list-style-type: none"> <li>Blockchain-based solution</li> <li>Physical tracers</li> <li>Certification bodies</li> <li>Academia, Think-tanks</li> </ul> 
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Scuola universitaria professionale della Svizzera italiana  
Dipartimento tecnologie innovative  
Istituto sistemi informativi e networking

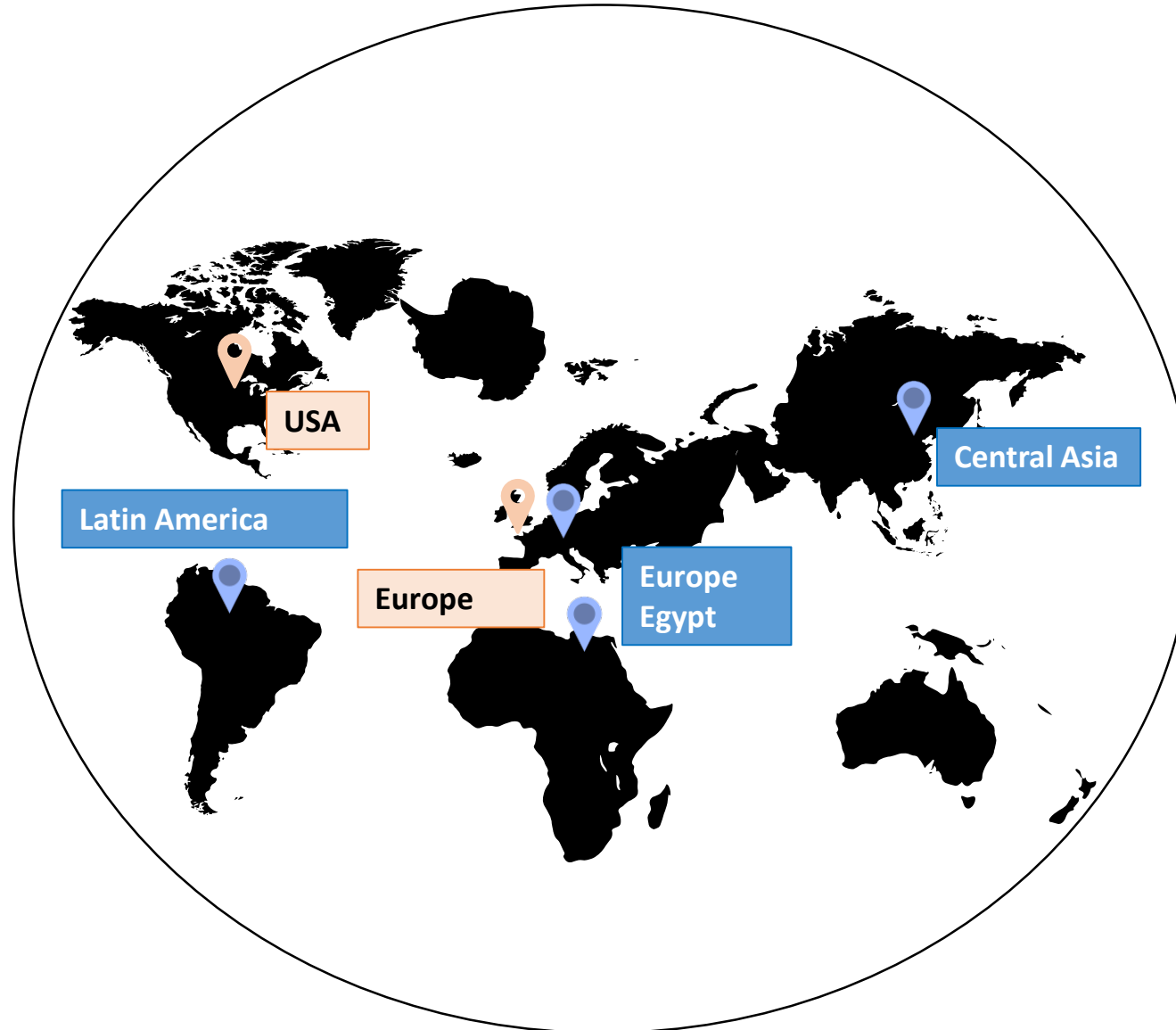
## SUPSI



## LEATHER Pilot

- Europe (Denmark, Germany, Italy, UK, Switzerland)
- USA

*in progress*



## COTTON Pilot

- Europe (Germany, Italy, Switzerland, UK) + Egypt
- Latin America (*in progress*)
- Central Asia (*in progress*)

Enhancing Transparency and Traceability for Sustainable Value Chains in the Garment and Footwear Industry



## UNECE-UN/CEFACT International Framework Initiative

Open, neutral and inclusive **platform** for **wide-industry engagement**



**Policy coherence** building upon **harmonization** efforts



An **international standard** ensuring **interoperability** with existing standards and data management systems



Exploring the supporting role of **advanced technologies**

e.g. Blockchain, physical tracers



### Why Traceability & Transparency?

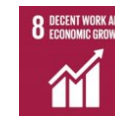


Responsible  
consumption  
and  
production

Reliable  
product  
information

Risk  
management

International  
market access  
for SMEs and  
small actors





## Enhancing Transparency and Traceability for Sustainable Value Chains in the Garment and Footwear Industry



**UN / CEFACT**

- **27th UN/CEFACT Plenary Final adoption  
UNECE toolbox (19-20 April 2021)**
- **UN/CEFACT Forum – Traceability meeting  
28 April 2021**
- **Industry actors' commitments to **Call to  
Action/Sustainability Pledge****
- **Industry consortia**
- **Capacity-building & Scaling up**



In partnership with

