

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

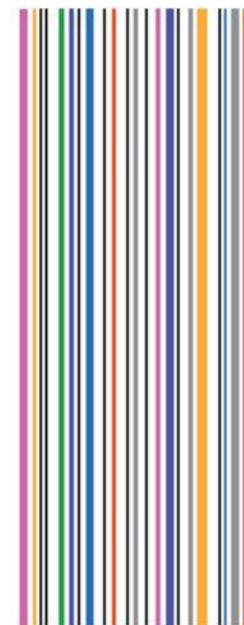
Conference Call #6

Sub-groups 2&3
TT Standard Textile & Leather

Progress on key deliverables

Maria Teresa Pisani and project team

29 | 09 | 2020, WebEx Meeting



UN / CEFACT





AGENDA 29.09.2020

1. Update on the workplan for the business process analysis for plant-based, animal-based and synthetic fibers

- Explanatory Note for the BPA - Highlights from the experts' feedback, *Virginia Cram-Martos*
- BPA for the leather value chain, *Deborah Taylor*: Update and highlights of experts' inputs for the Leather Value chain report no1
- BPA for the textile value chain, *Marco Ricchetti*: Update and highlights of experts' inputs

2. Update on the Development of the UN/CCL Data Model to support Traceability for Sustainable Garment and Footwear VC

Gerhard Heemskerck

3. Next steps, experts' sub-group input, Q&A

Maria Teresa Pisani

Background documents

[CUE SPACE](#)

Explanatory note for Business Process Analysis (BPA) for the value chain and data model for traceability of information exchange
Leather value chain report No1 and Generic use case traceability for leather + Glossary Issue 1
Textile and Leather Reference Data Model Business Requirement Specification v0.2
Minutes of the 5th monthly conference call 30.06.2020

Project Progress: state of play, Sept 2020



1. POLICY RECOMMENDATION

2. TEXTILE TRACEABILITY STANDARD

3. LEATHER TRACEABILITY STANDARD

4. CAPACITY BUILDING AND PILOTS

ADVANCED DRAFT
 Section 1. Policy Recommendation
 Section 2. Implementation guidelines
 Annex. Call for Action

STAKEHOLDERS ECOSYSTEM & ENGAGEMENT STRATEGY

DRAFT BUSINESS PROCESS ANALYSIS, BUSINESS REQUIREMENT SPECIFICATIONS AND REFERENCE DATA MODEL
 for traceability of information exchange
PLANT BASED FIBERS (#1 COTTON)
ANIMAL BASED FIBERS/MATERIALS
SYNTHETIC FIBERS

#1 PILOT COTTON BLOCKCHAIN

Idea ✓
 Concept ✓
 Requirements ✓
 Procurement ✓

PILOTING PARTNERS
 - RED-LINE STORY
 BASED ON BPA



EXPERTS' INPUTS
FIELD RESEARCH
 35 Multi-stakeholder interviews
DESK RESEARCH
 82 Legislations identified

EXPLANATORY NOTE
Business Process Analysis
Generic Traceability Model



Progress Update

Moving Forward with the Business Process Analysis And Standards (September 2020)

Virginia Cram-Martos

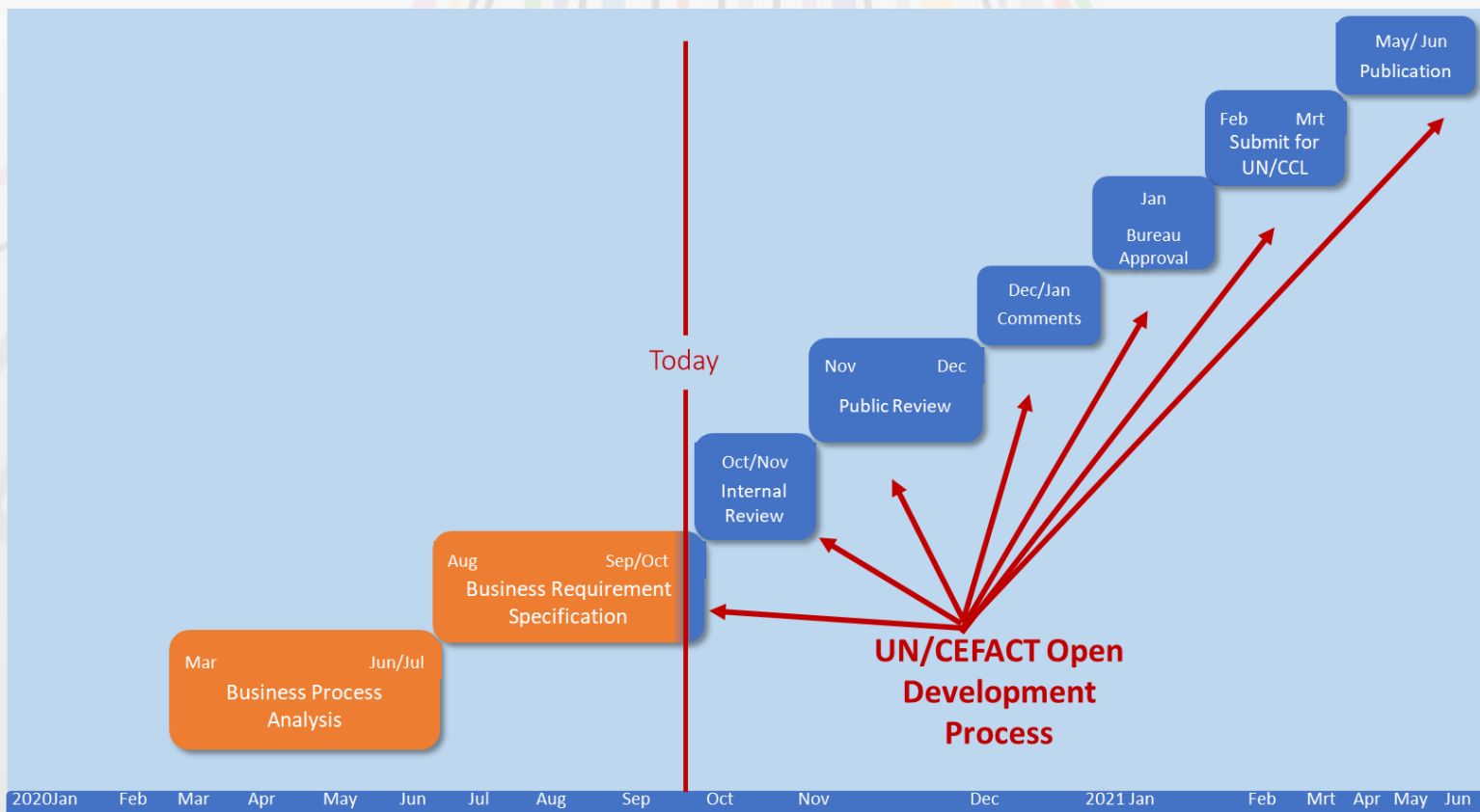


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Focus on timeline



Explanatory Note

Highlights from experts' comments

Input from circularity actors is needed

Look at waste generated in every process

Minimum Requirements are needed

Clarify role of Traceability Requestor

It is useful information

What qualifies as being recycled?

And we hope to receive more comments from you as we continue our work

What technology will be used

What is a policy claim?

Will we have a standard definition for batch?

The IDs used should be accessible to all

Are there incentives for participating?

Will this process be done for synthetics?

Will all factories be identified?

Certification schemes have their own rules

Data Standards for Transparency and Traceability in the Garment and Footwear Sector

Overview of Status

A High-Level View of What Is
- **DONE**

01

A Detailed View of What Is
**Leather Done, Cotton in
Progress**

02

A High-Level View of What
Should Be - **DONE**

03

A Detailed View of What
Should Be **1st Draft**

04



05

Identification of What New Actions
are Needed - **Leather started**

06a

Identification of Existing Data to
Support Traceability and
Transparency **Leather started,
Cotton needs to finish 02 first**

06b

Identification of New Data needed to
Support Traceability and Transparency
Waiting for 05 to be done

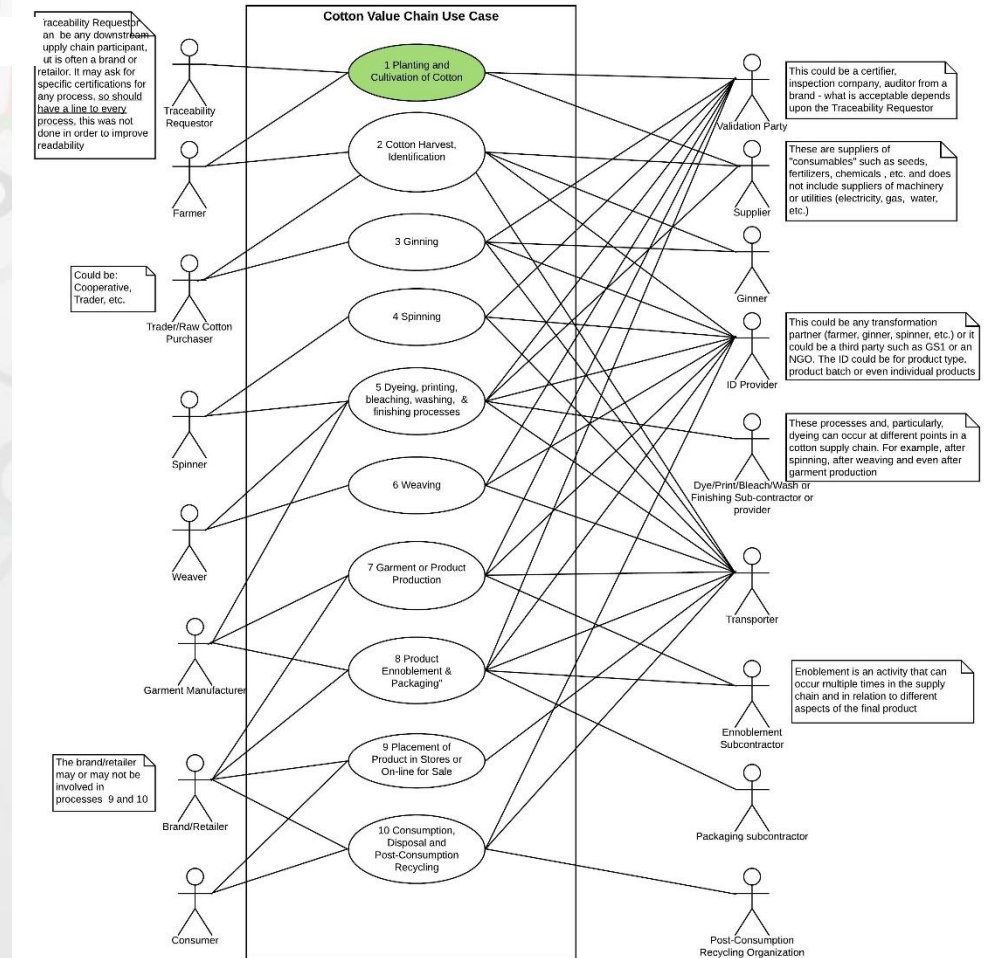
07

Development of Standards for
New Data – Addition to the
“Library” – **Gerhard, Frans & Niki**

Data Standards for Transparency and Traceability in the Garment and Footwear Sector

A High-Level View of What Is - The Use Case Diagram

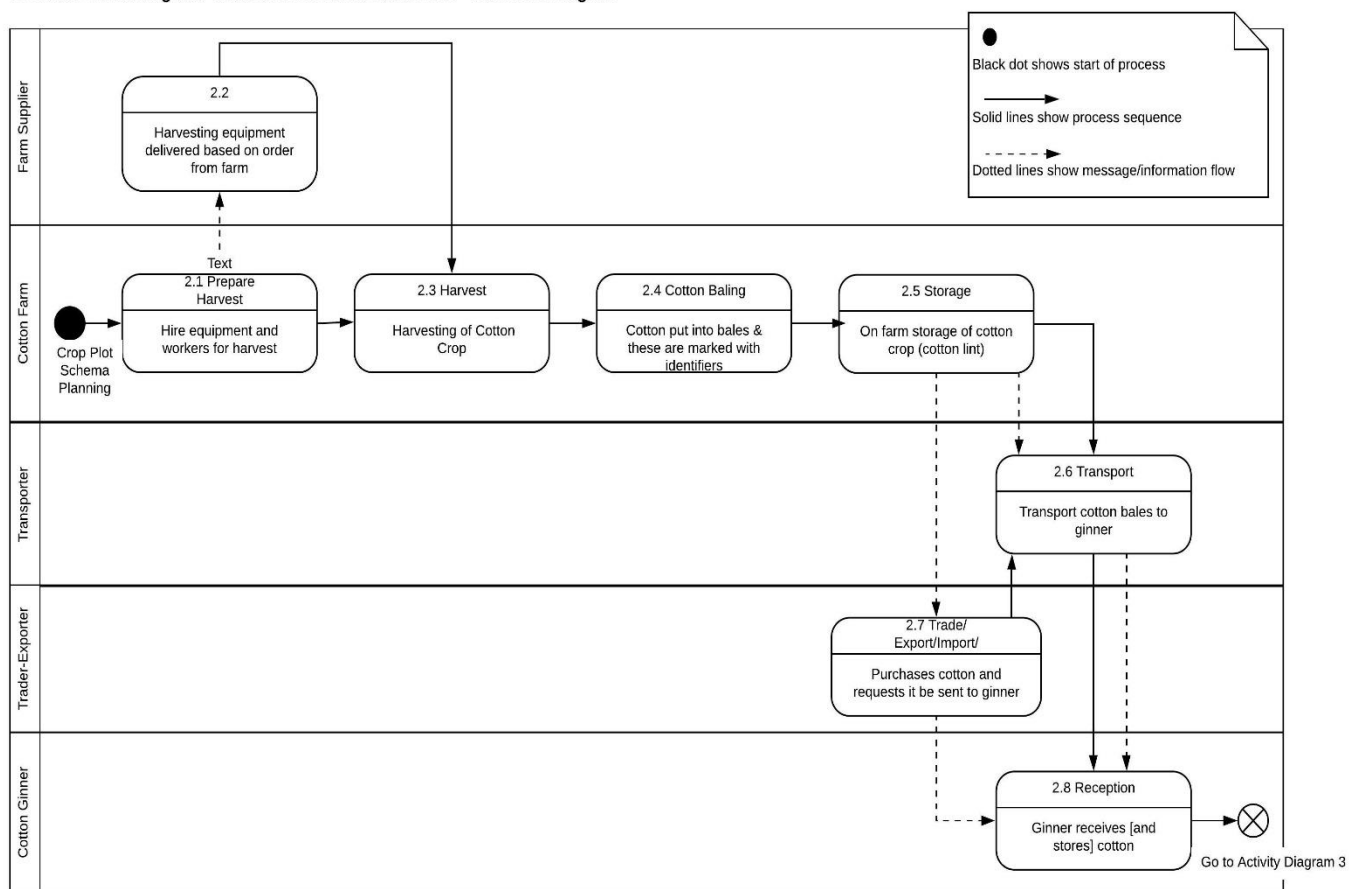
Example for Cotton



Data Standards for Transparency and Traceability in the Garment and Footwear Sector

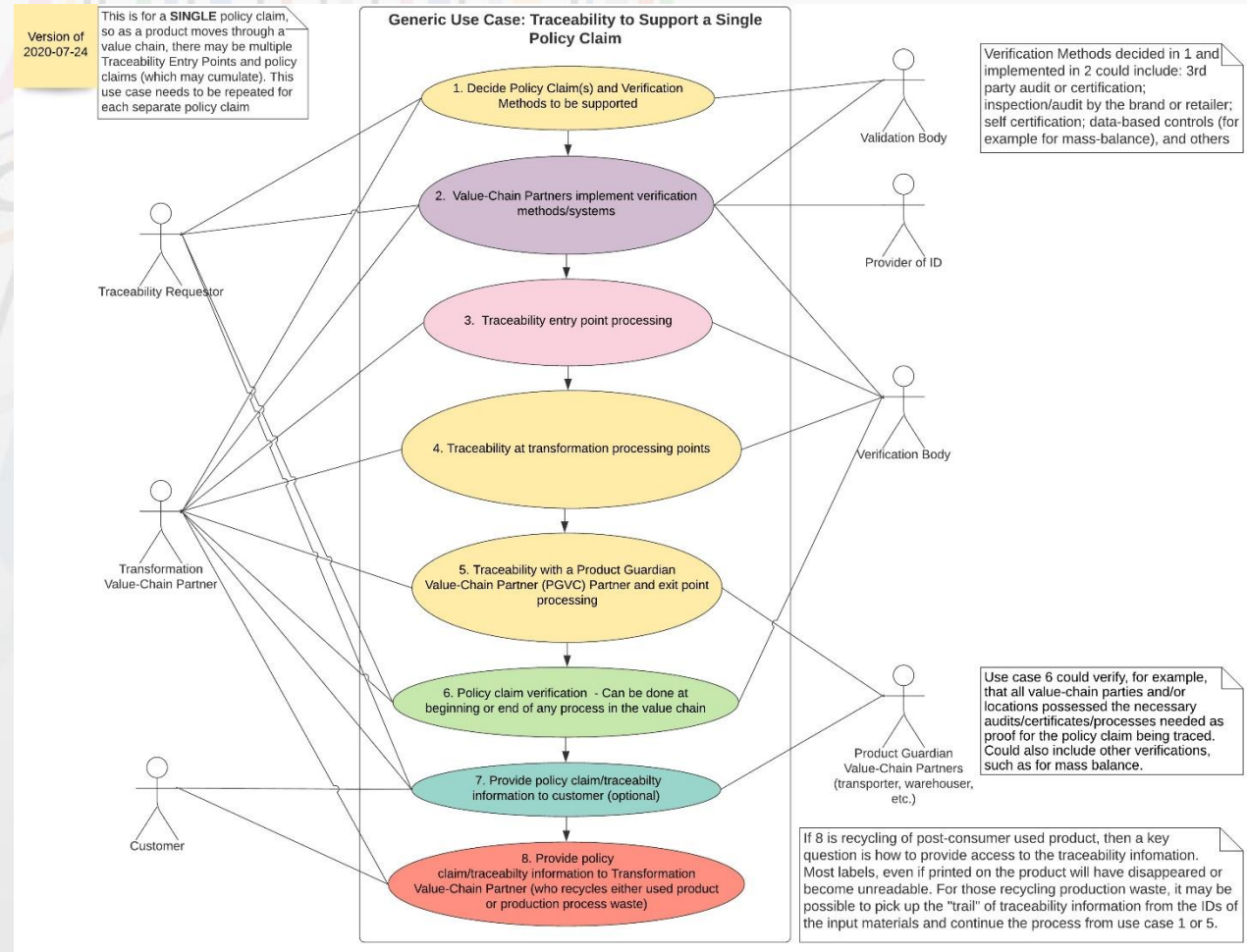
A Detailed View
of What Is -
the Activity
DiagramExample for
Cotton

2 Cotton Harvesting and Transfer from Farmer to Ginner - ACTIVITY Diagram



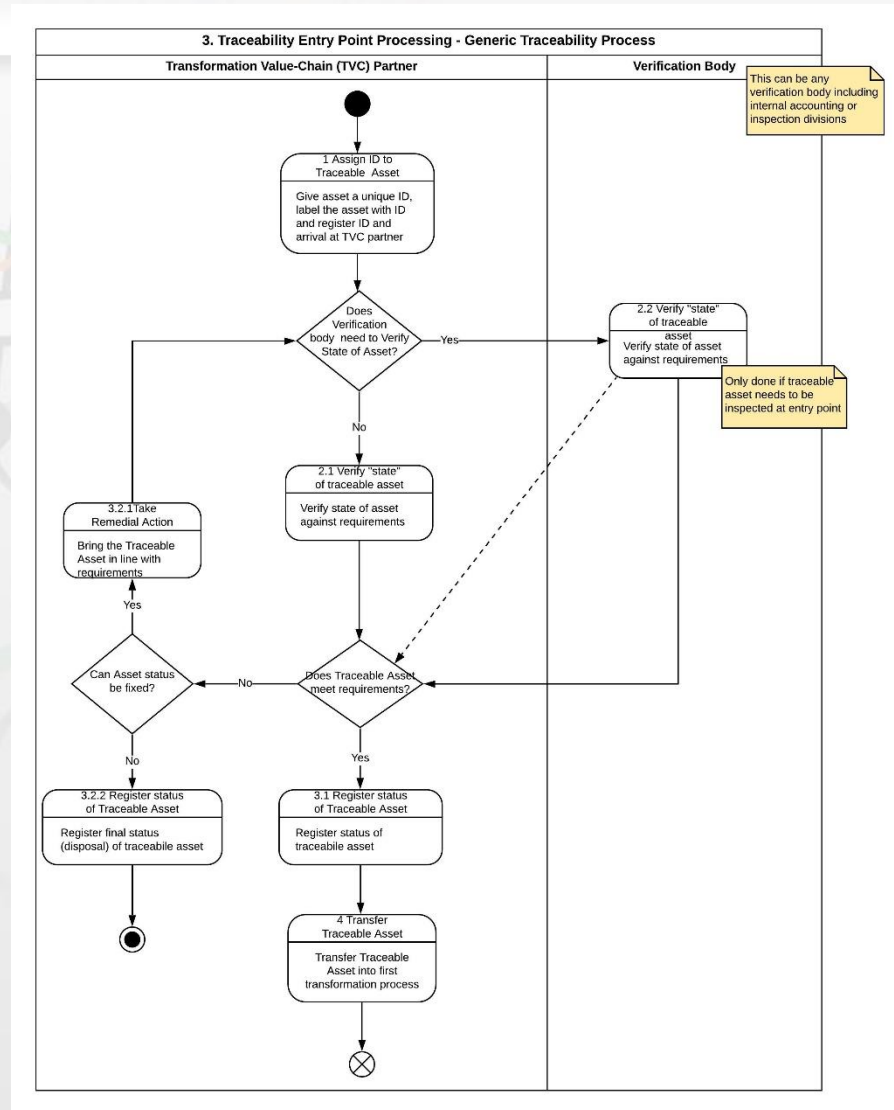
Data Standards for Transparency and Traceability in the Garment and Footwear Sector

A High-level View of Generic Traceability and Transparency (T&T)



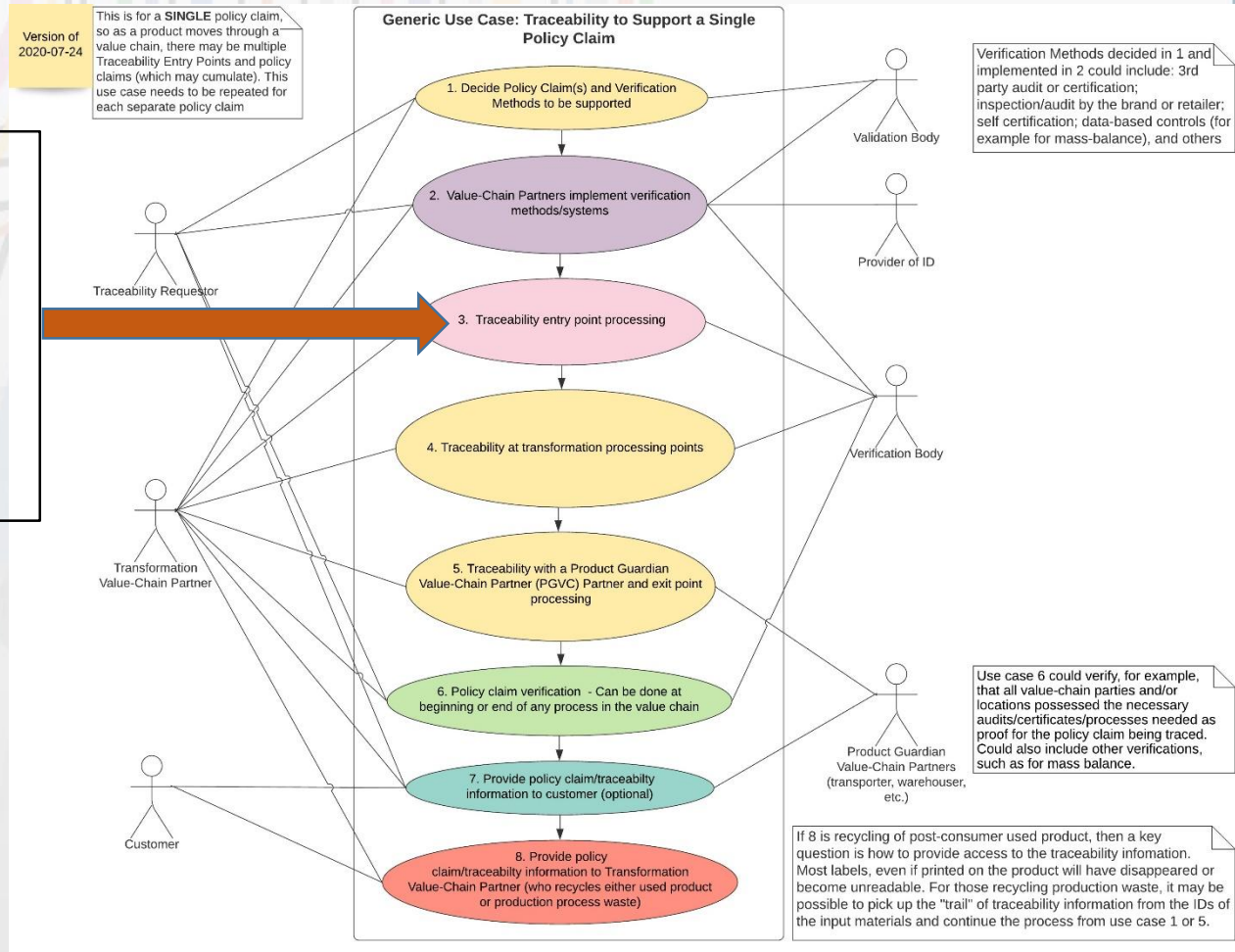
A Detailed View of Generic Traceability and Transparency = Activity Diagram

Path for Cotton Process #2



Data Standards for Transparency and Traceability in the Garment and Footwear Sector

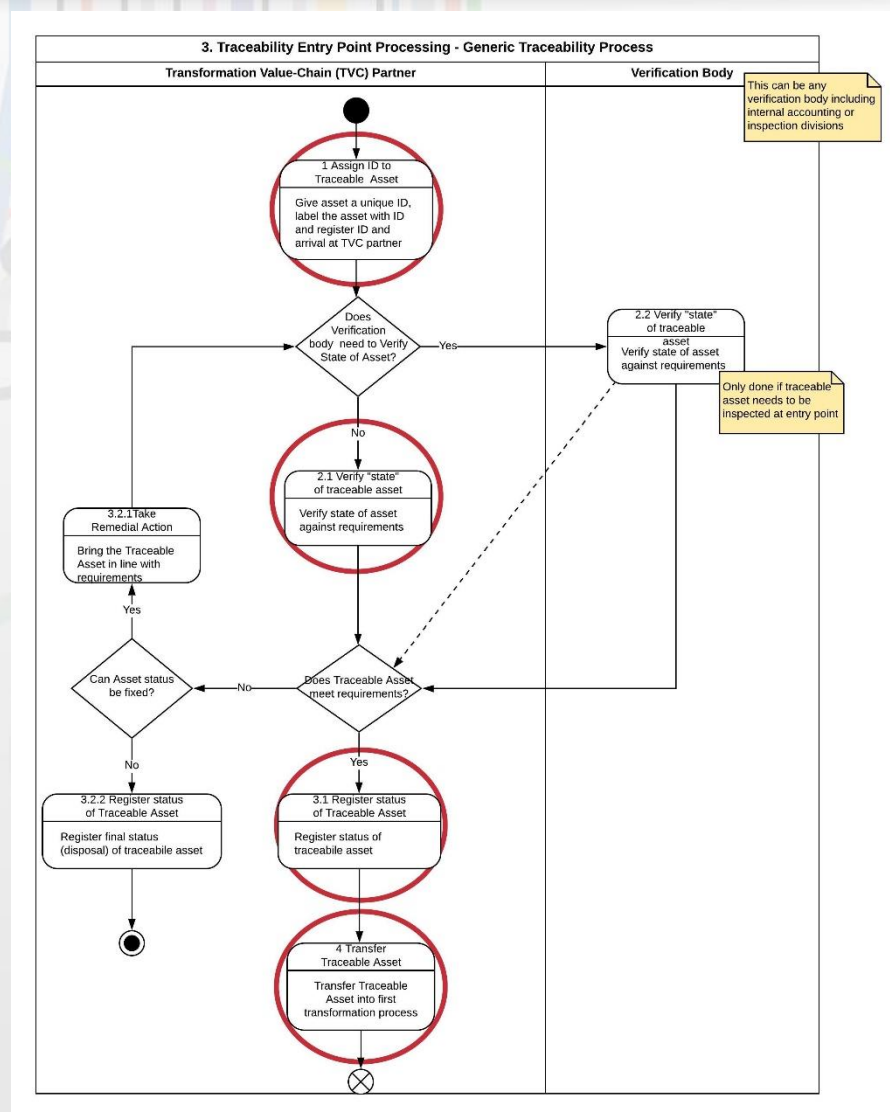
**Generic T&T Process #3
(Entry Point Processing)**
Corresponds to
Generic Cotton Process #2 (Harvest)



Data Standards for Transparency and Traceability in the Garment and Footwear Sector

A Detailed View of Generic T&T The Activity Diagram

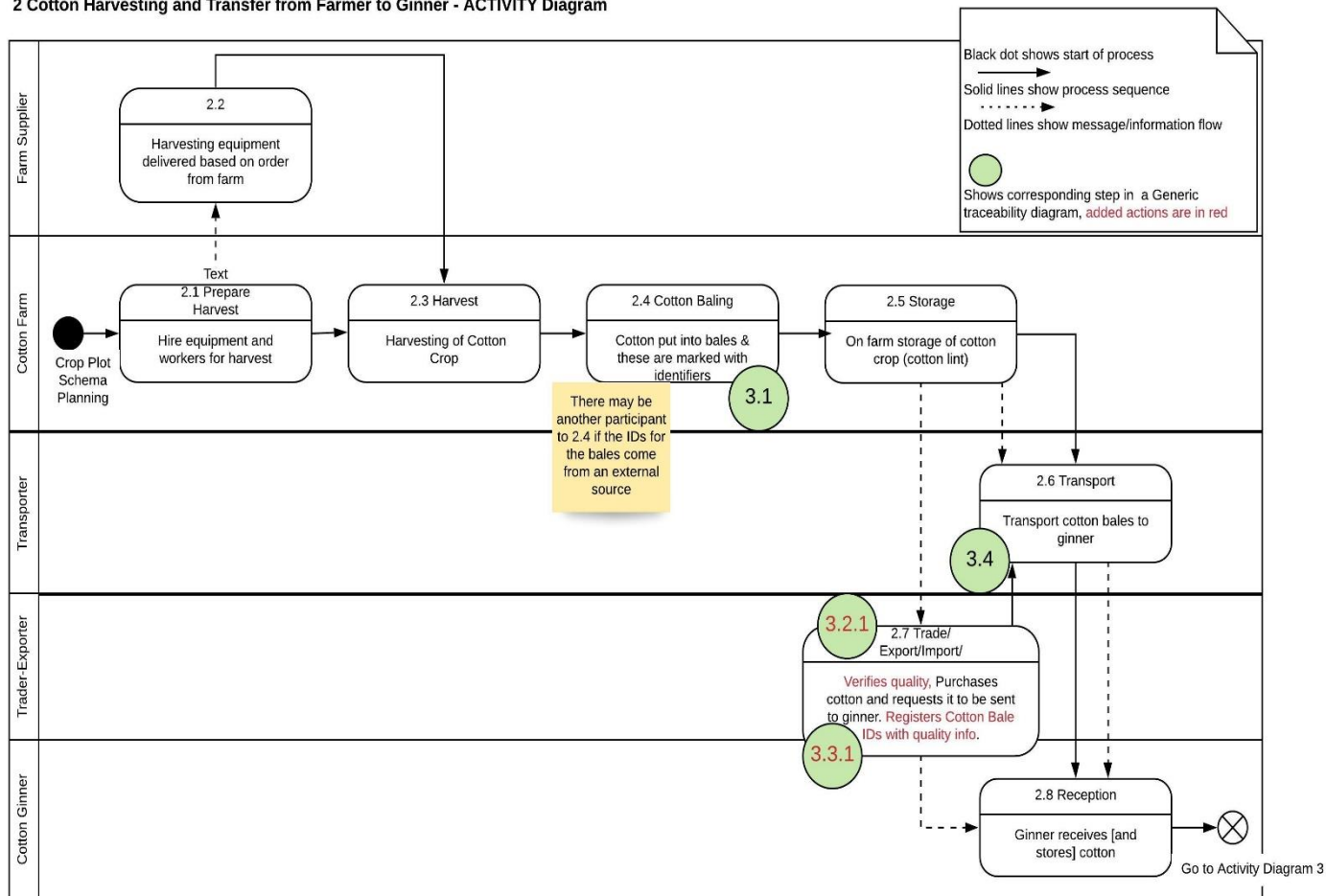
Path for Cotton Process #2 (Harvest)



Data Standards for Transparency and Traceability in the Garment and Footwear Sector

Identifying where change is needed

2 Cotton Harvesting and Transfer from Farmer to Ginner - ACTIVITY Diagram



Go to Activity Diagram 3

Data Standards for Transparency and Traceability in the Garment and Footwear Sector



**We are on the way toward
Usable, Practical and High-Quality Business
Process Analyses for Cotton and Leather**

**So we are motivated
with your help
To keep moving forward !!**

Virginia Cram-Martos
crammartos@triangularity.net



Progress Update

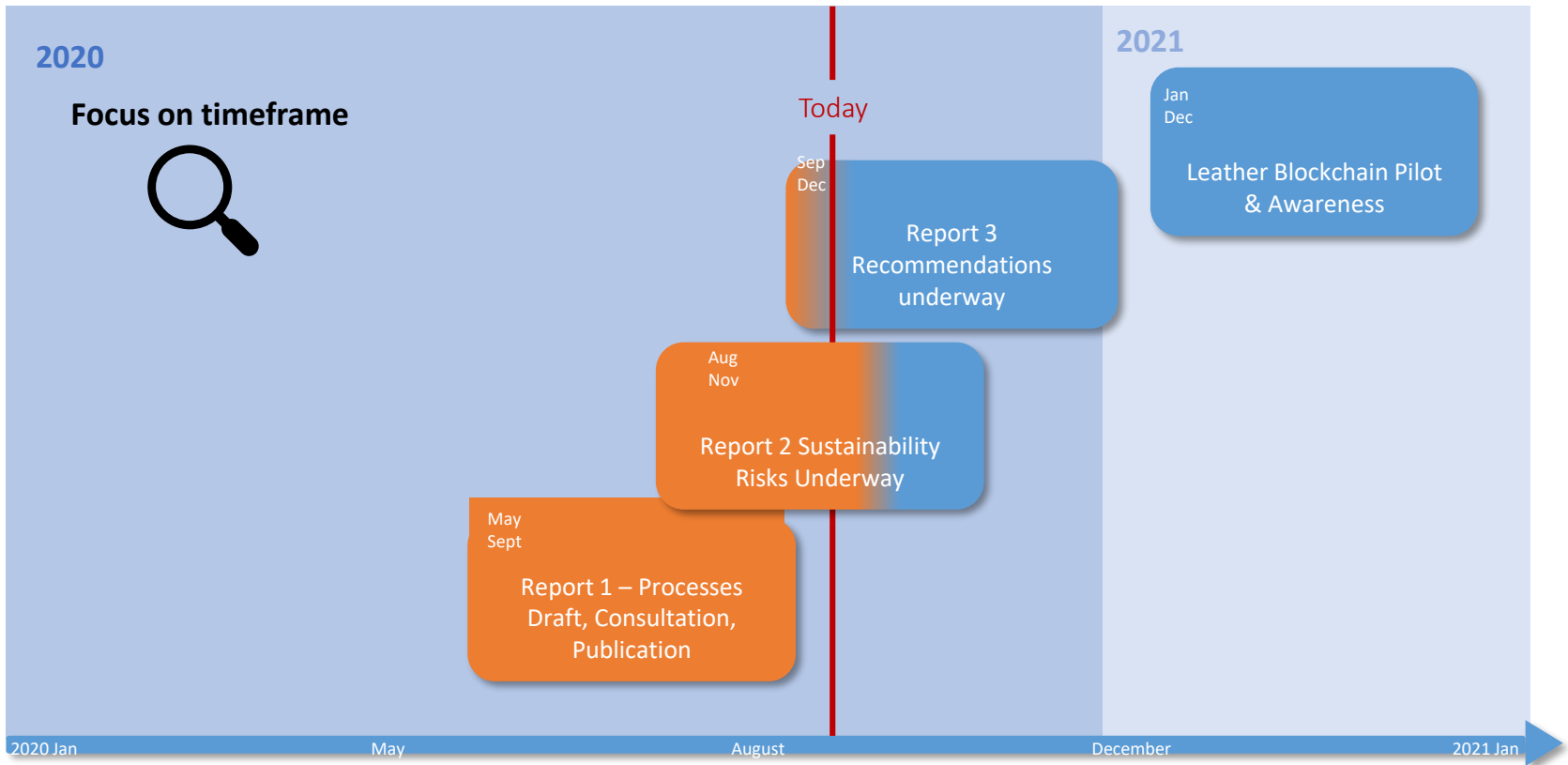
Leather Value Chain

(September 2020)

Deborah Taylor

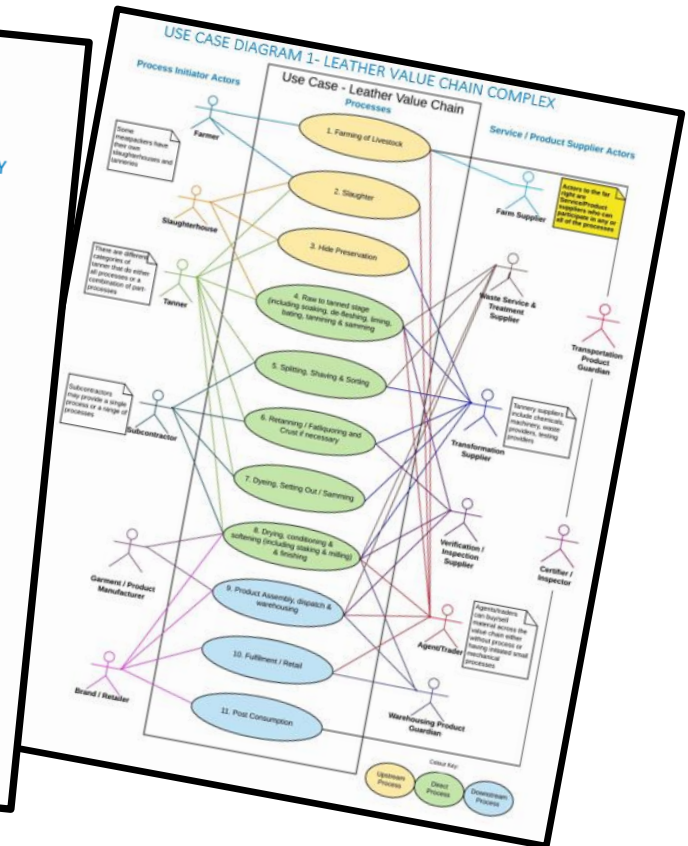
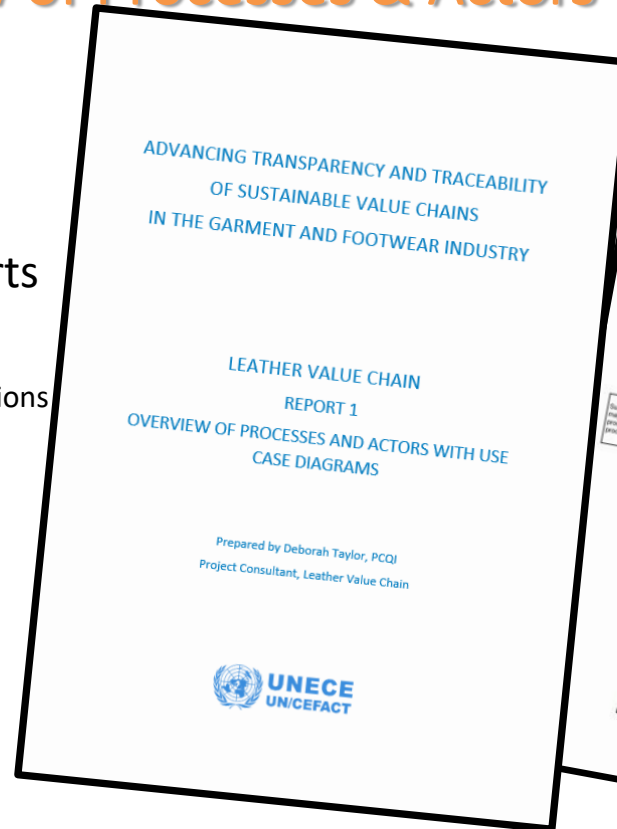


Leather Value Chain Transparency & Transparency Standard Workstream



Report 1 – Overview of Processes & Actors with Use Case Diagrams

- 2 rounds of feedback
- 16 external industry experts
 - 5 industry associations
 - 3 brands
 - 3 certification/member organisations
 - 1 NGO
 - 1 UN NGO
 - 1 technical provider
 - 1 educational institution
- 3 core project experts (secretariat)



Report 1 – Feedback Dialogue

Since the report is also focusing on the leather of exotic species, we would like to raise your awareness on the fact that exotics animals can be ranched (Alligator Mississippians, Ostrich, Fisch...) which is covered by the report, but some other species – used for luxury leather goods - are **also hunted** into the wild environment (Varan, water snakes, lizards).

What about CITES?

This structure should also include furs, and indicate that it's applicable to also furniture and car interiors (all the applications, not only the ones related to fashion)

In addition, in my comment I tried to raise the point that consumers while not washing leather articles usually apply care products (creams, polishes etc.). Some leather goods only provide the promised performance if used together with such care products. From the Circular Economy perspective the properties of the material ending up at the recycling facilities thus depends on the care activities by the consumers (i.e. the chemicals they had (not) applied). It is perhaps not practical to cover such activities in the traceability system, but one could mention the fact and related constraints.

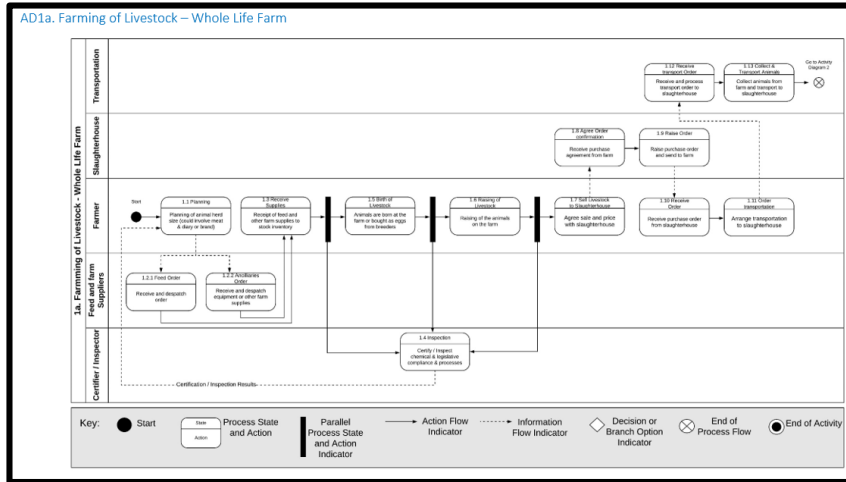
I applaud your effort to describe the value chain model for the leather industry. It is an extremely complex supply chain in some ways, and difficult to understand without some “on the ground” experience. I think you have done an excellent job mapping the complexity of the industry. It certainly demonstrates to an outside observer the many, many intricacies involved in this material.

I suggest using technical standards when possible in order to have uniform identification of terms at international level

All feedback and comments are collected in a spreadsheet on CUE space.

Report 2 – SUSTAINABILITY REQUIREMENTS & EVENTS IN THE PRODUCTION LIFECYCLE OF LEATHER

AD1a. Farming of Livestock – Whole Life Farm



All processes as identified in the Use Case Diagrams of Report 1, now broken down into more granular Activity Diagrams and Business Process Descriptions

| Name of process area | | | | |
|--|---|--|--|--|
| Leather Value Chain | | | | |
| Name of business process activity (use case) | | | | |
| 1a. Farming of Livestock – Whole Life Farm | | | | |
| Process participants | | | | |
| Farmers, Egg Breeders, Farm & feed suppliers, Transportation Product Guardians, Slaughterhouses/Abattoirs, Certifiers/Inspectors | | | | |
| Input & criteria to enter/begin the process | | | | |
| Planning of livestock herd (this could involve liaison with Brands or could be part of the meat & dairy industry) | | | | |
| Parallel Processes | | | | |
| 1a.4 Inspection: Certification / Inspection of chemical & legislative compliance & processes can take place at the farm at different parts of the process. | | | | |
| Description of Activities | | | | |
| A step by step description of what happens in the process. If parallel or overlapping steps much be finished before the next step, the first two digits of the number should be the same with a third digit added. | | | | |
| DESCRIPTION | Required DOCUMENTS | Required OTHER INFORMATION / communication method | TRACEABILITY Actions & Data required | |
| 1a.1 Planning: Planning of animal herd size (could involve meat & dairy or brand) | | | | |
| 1a.2.1 Feed Order: Place order with suppliers | Purchase Order to Feed Supplier Invoice from Feed Supplier | Any feed requirements? (i.e. no GM or similar) Order from farmer: email, mobile phone SMS, WhatsApp | Record of receipt of feed supplies | |
| 1a.2.2 Ancillaries Order: Place order for equipment or other farm supplies | Purchase Order to Feed Supplier Invoice from Feed Supplier | Order from farmer: email, mobile phone SMS, WhatsApp | Record of receipt of feed supplies | |
| 1a.3 Receive supplies: Receipt of feed & other farm supplies to stock inventory | Despatch notes confirming goods received | Order confirmation from supplier: email, mobile phone SMS, WhatsApp | Inventory of feed & materials to be registered at the farm. | |
| 1a.4. Inspection: Inspect / Certify chemical & legislative compliance & processes as requested | Confirmation of inspection visit dates. | Order from brand / farmer / manufacturer: email, mobile phone SMS, WhatsApp | Proof of successful inspection e.g. certification or corrective measures if not successful | |

The Business Process Descriptions cover elements where a transfer of information may occur, key sustainability risks, verification methods, related laws / legislation, etc

Report 2 – SUSTAINABILITY REQUIREMENTS & EVENTS IN THE PRODUCTION LIFECYCLE OF LEATHER

The body of the report will expand on the sustainability risks, along with identifying existing programmes and organisations that work to mitigate and reduce the risks.

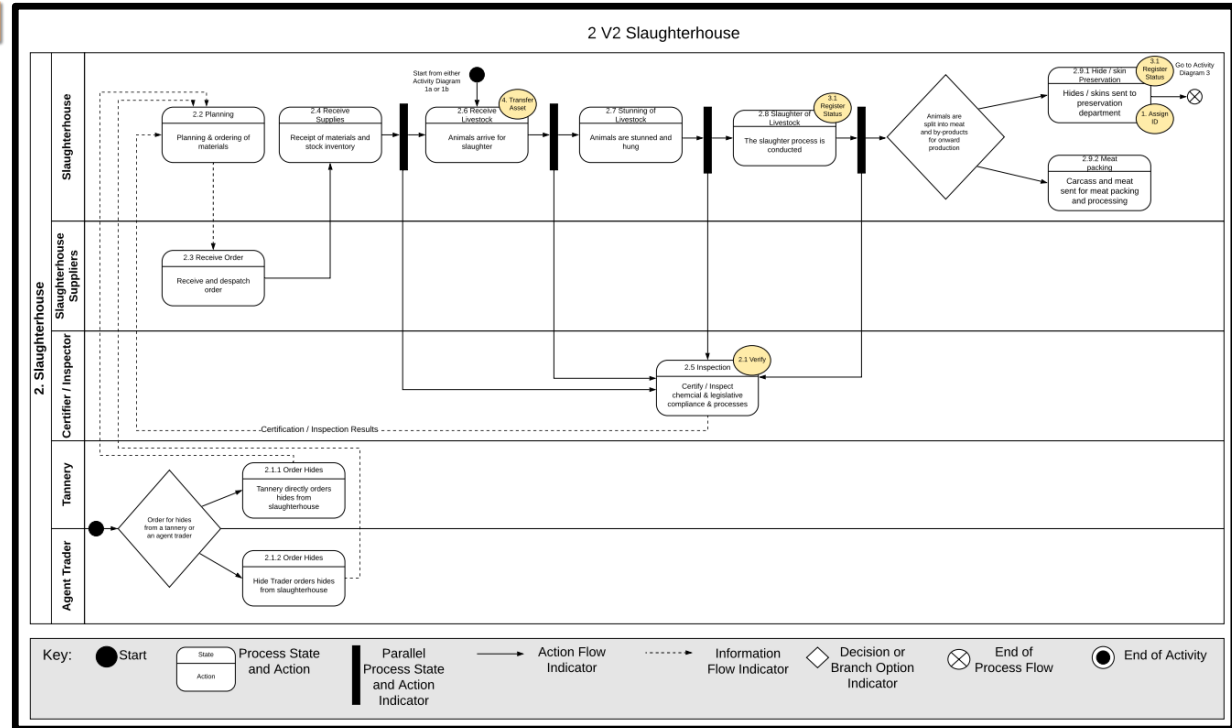
The report will also inform of any gaps in protecting the risks identified.

Draft to be sent out for input and support.

| | | | | |
|--|--|---|--|--|
| Related laws, rules, regulations | Different regulations & laws are applicable in different countries & regions. | | | |
| Sustainability Risks, Criteria and Verification | Sustainability risks (hot spots) within this process | Sustainability criteria and standards to address the risk | Verification methods for criteria and standards | Measurements |
| If the list is too long this section can be moved to an annex. | Child labour: Some regions may be operating family farms where children are expected to work on the farm from a young age as a natural part of life. There could be regions that exploit child labour for farming. | The International Labour Organisation (ILO) Fundamental Convention SA8000 Social Audit | 3 rd party audits Self-assessment / self-evaluation Certification <u>Programmes</u> | The ILO has developed eight widely-recognised conventions, considered to be fundamental and covering 4 areas, one of which is the effective abolition of child labour. |
| | Animal Welfare: Traditionally, farming has been seen as the responsibility of the meat & dairy industry, not the leather industry. Leather has been categorized as a bi-product of the meat industry, although this is not the case in every circumstance, particularly when considering exotic skins such as lizard, snake, alligator, etc. Chapter x.x of this report focuses on the challenges of animal farming, detailing areas including: Animal Welfare CO ² Emissions Species Conservation Biodiversity Deforestation Hides as a waste Product | Farming Certification Schemes: <u>Assurewell</u> Organic Soil Association Progressive Beef QIMA RSPCA Red Tractor CITES AGW (A Greener World) Certified Humane. General: Compliance with Textile Exchange's LIA (Leather Impact Accelerator) | 3 rd party audits Self-assessment / self-evaluation Certification <u>Programmes</u> | |

Report 3 – RECOMMENDATION FOR DATA AND INFORMATION REQUIREMENTS FOR A TRANSPARENCY SYSTEM FOR THE LEATHER VALUE CHAIN

- Layering of generic traceability requirements and exchanges on the identified Activity Diagrams
- Identification of the gaps
- Recommendation of the solution



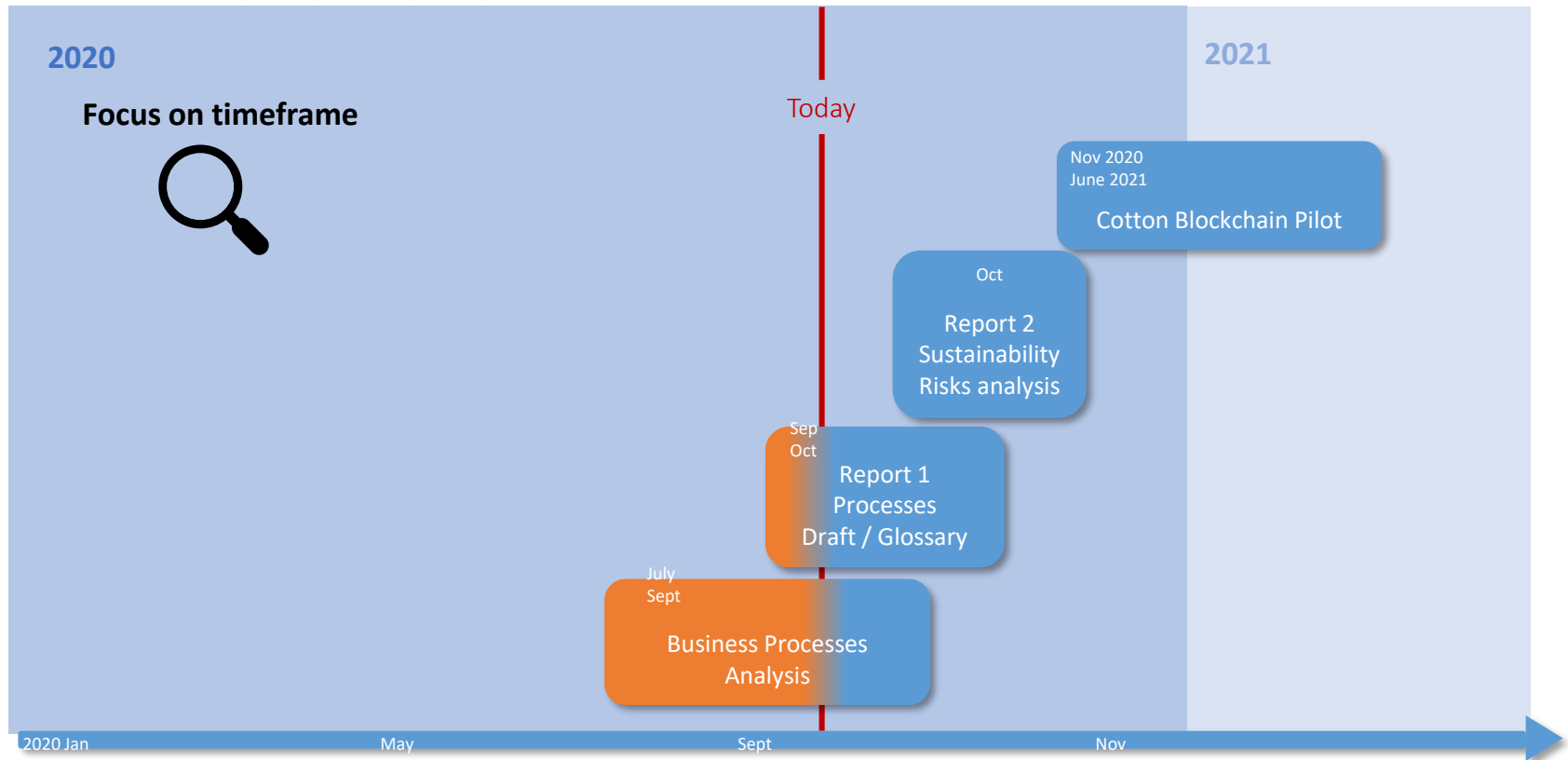
Progress Update

Cotton Value Chain (September 2020)

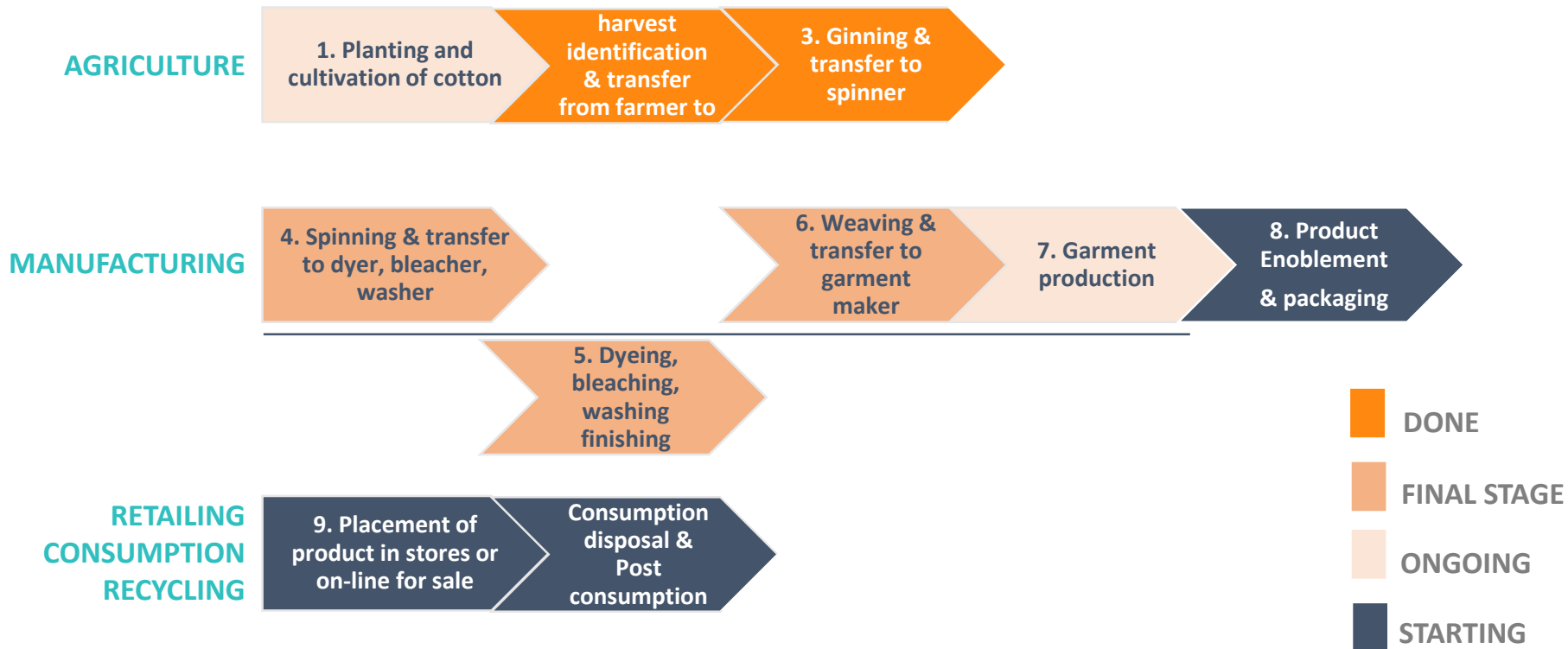
Marco Ricchetti



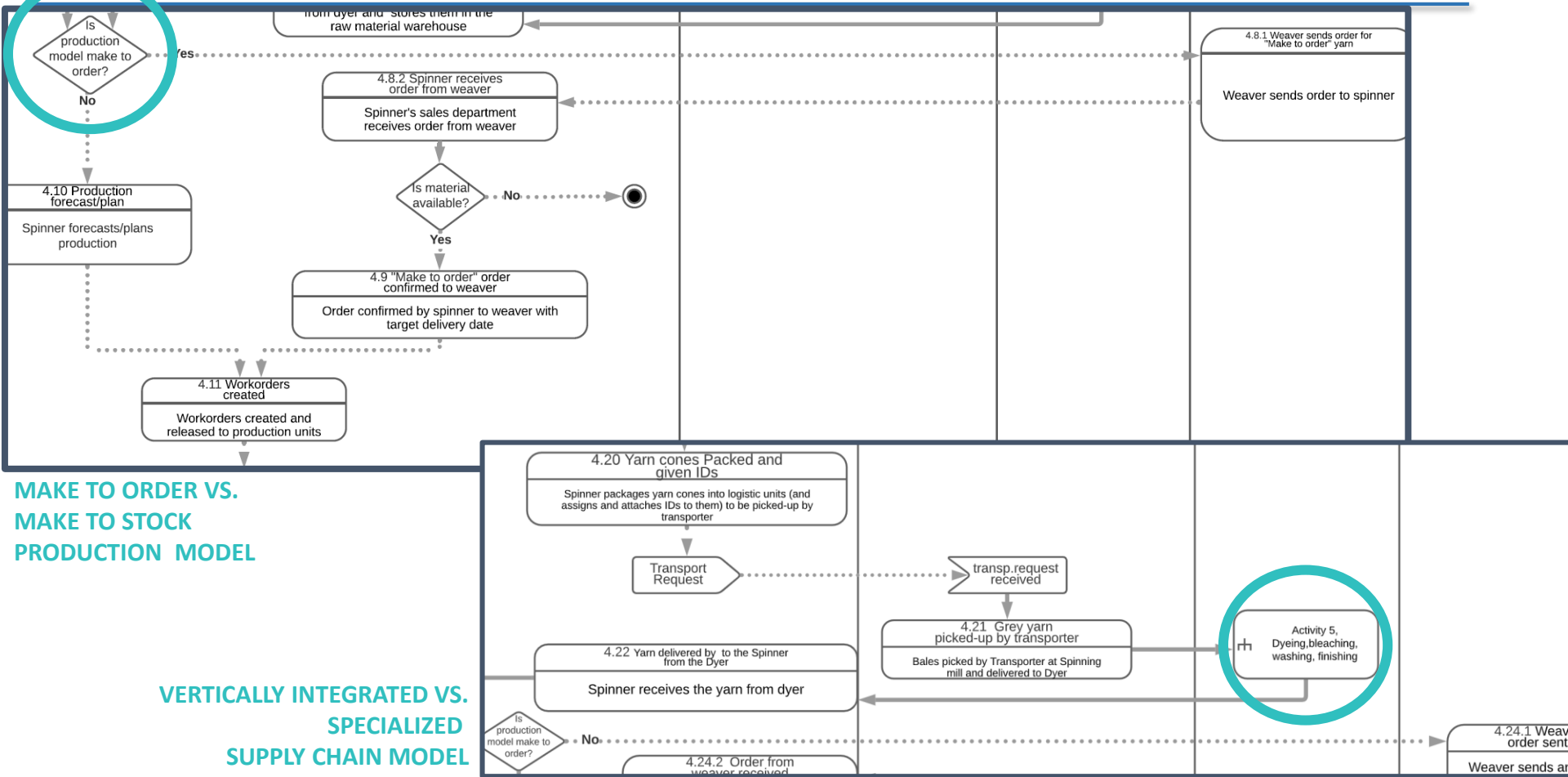
Leather Value Chain Transparency & Transparency Standard Workstream



BUSINESS PROCESSES ANALYSIS



Cotton Value Chain (Sept 2020)



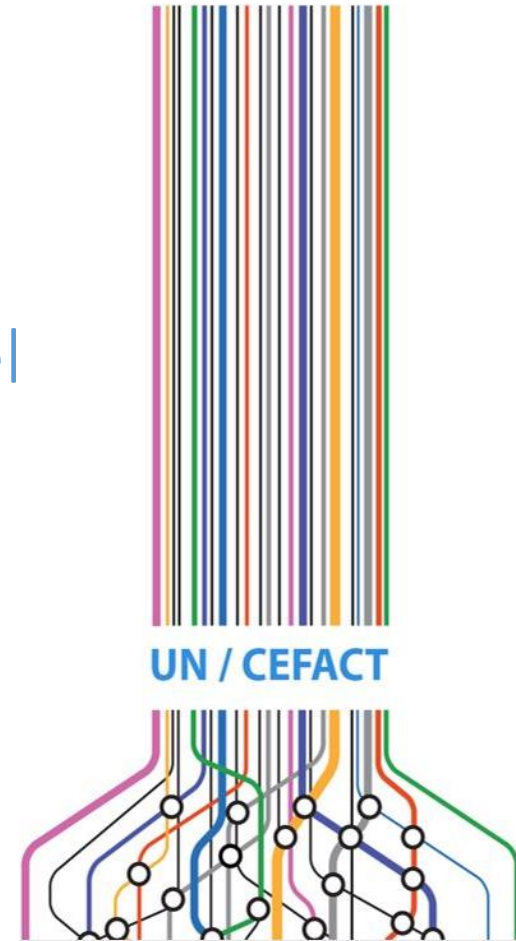
MAKE TO ORDER VS. MAKE TO STOCK PRODUCTION MODEL

VERTICALLY INTEGRATED VS. SPECIALIZED SUPPLY CHAIN MODEL

Progress Update

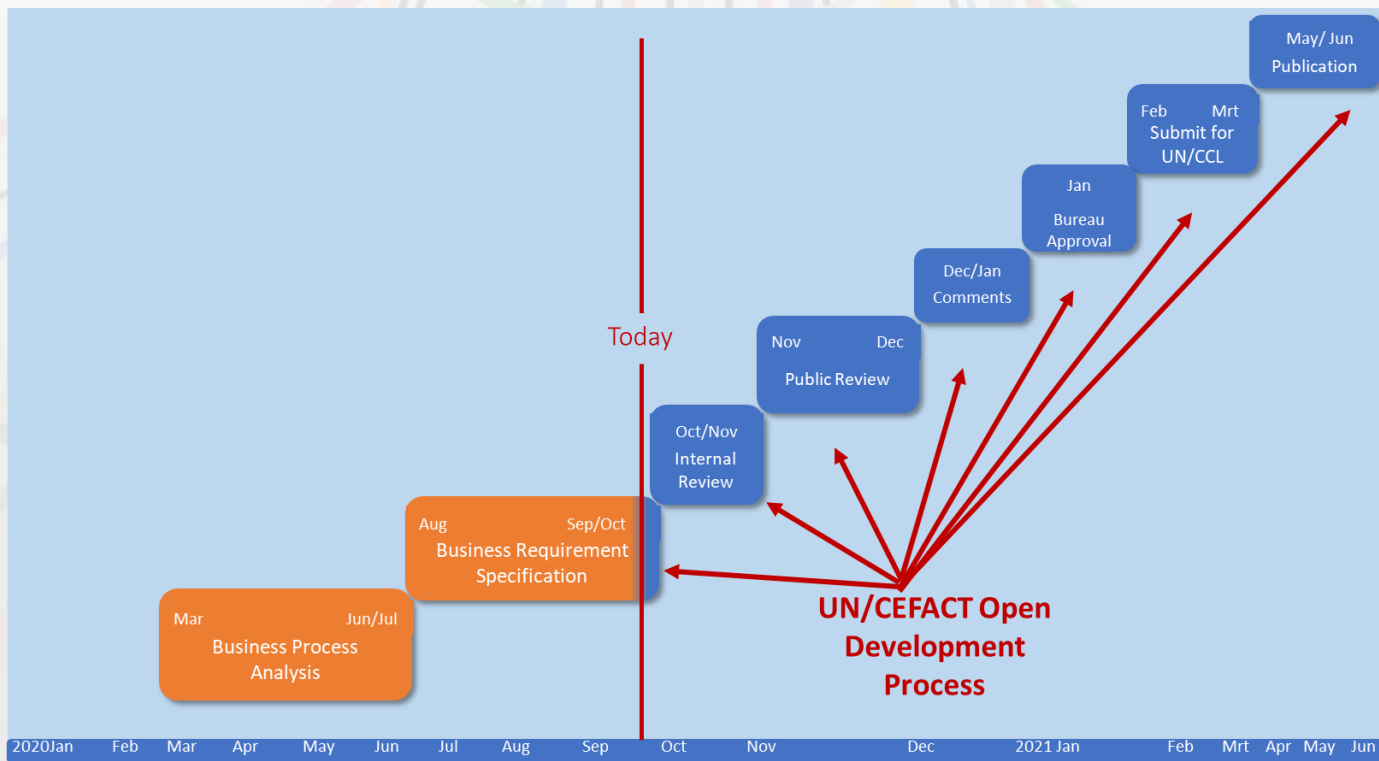
Developing the UN/CCL Data Model
to support Traceability &
Transparency
(September 2020)

Gerhard Heemsker



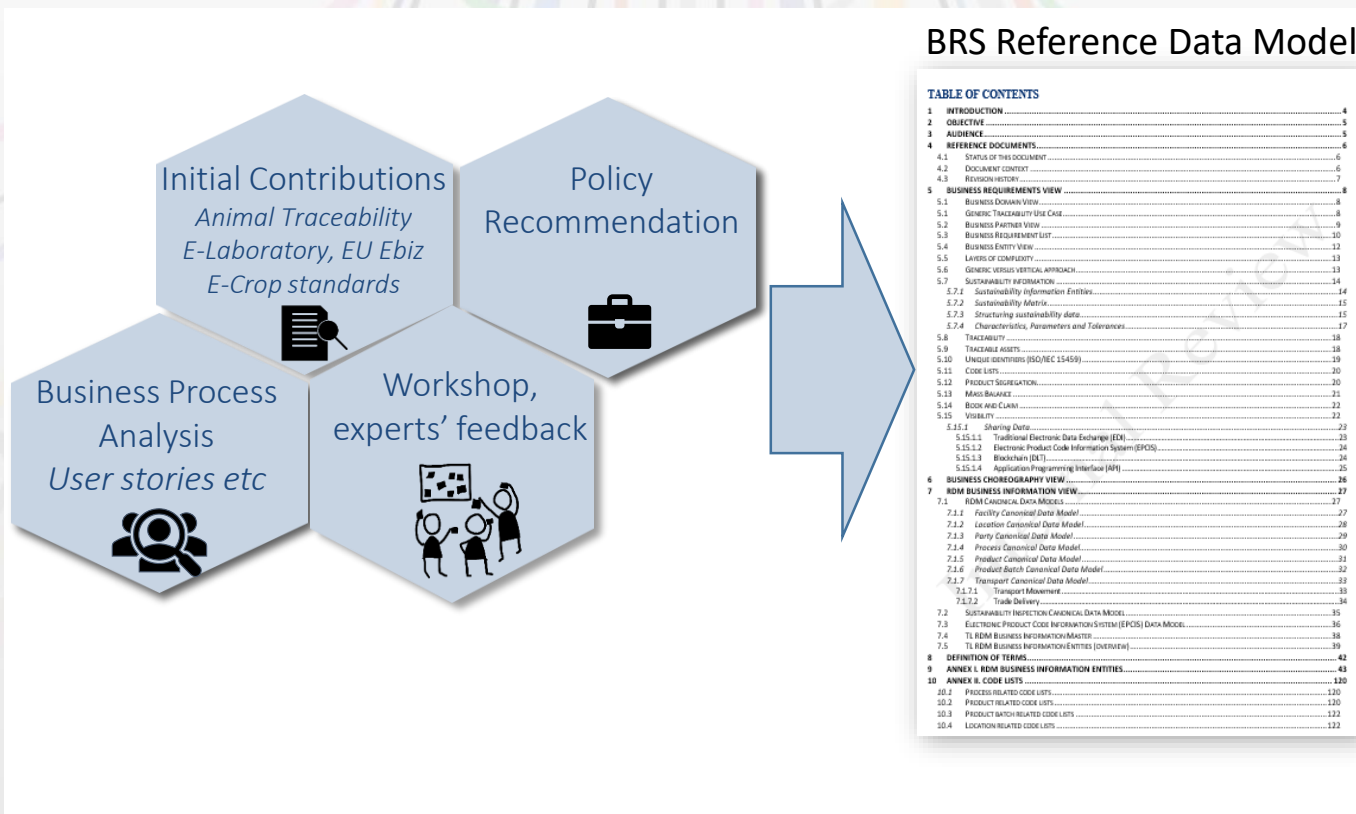


Focus on timeline



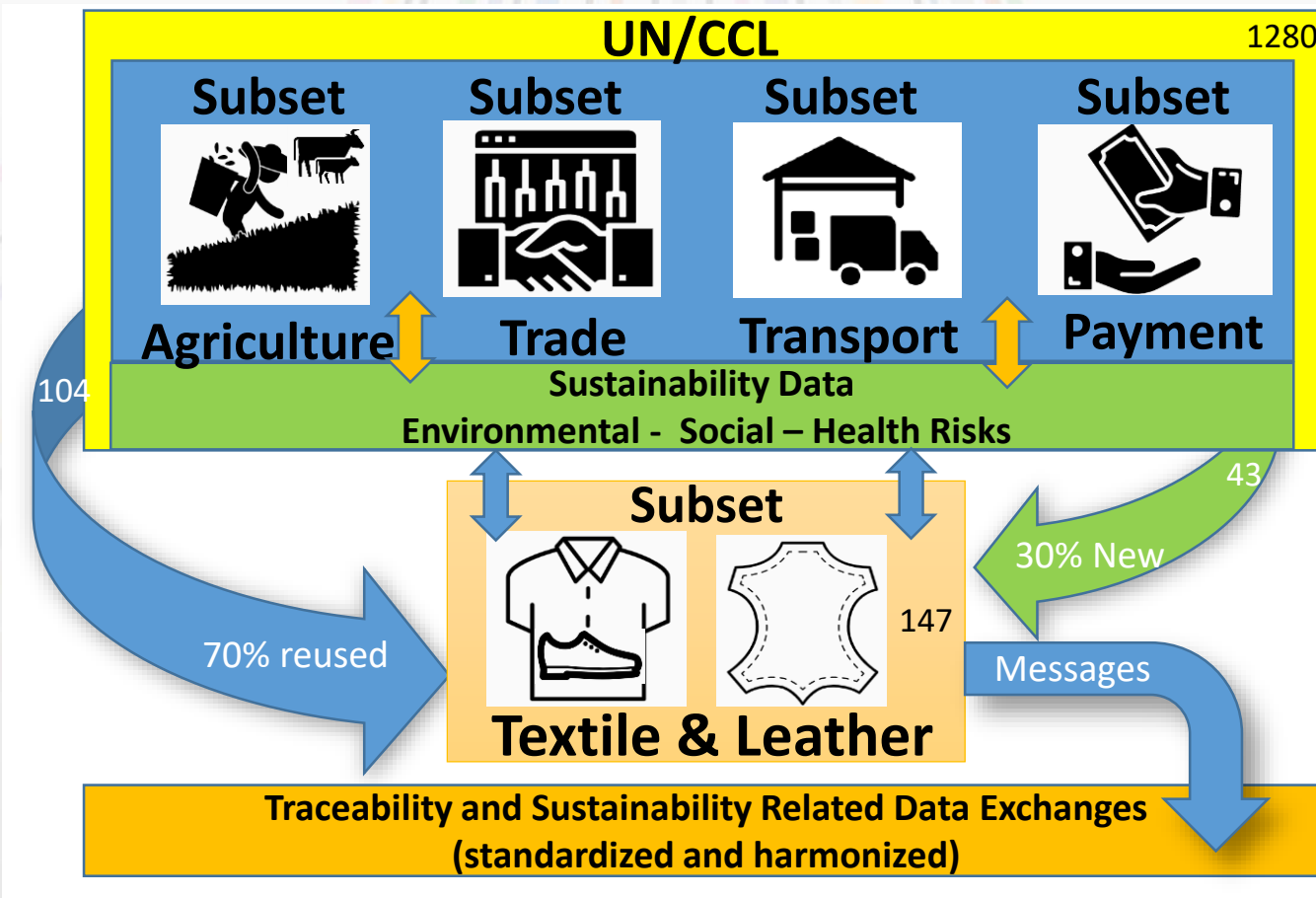


Developing UN/CCL Data Model for T&L





Developing the UN/CCL Data Model for T&L



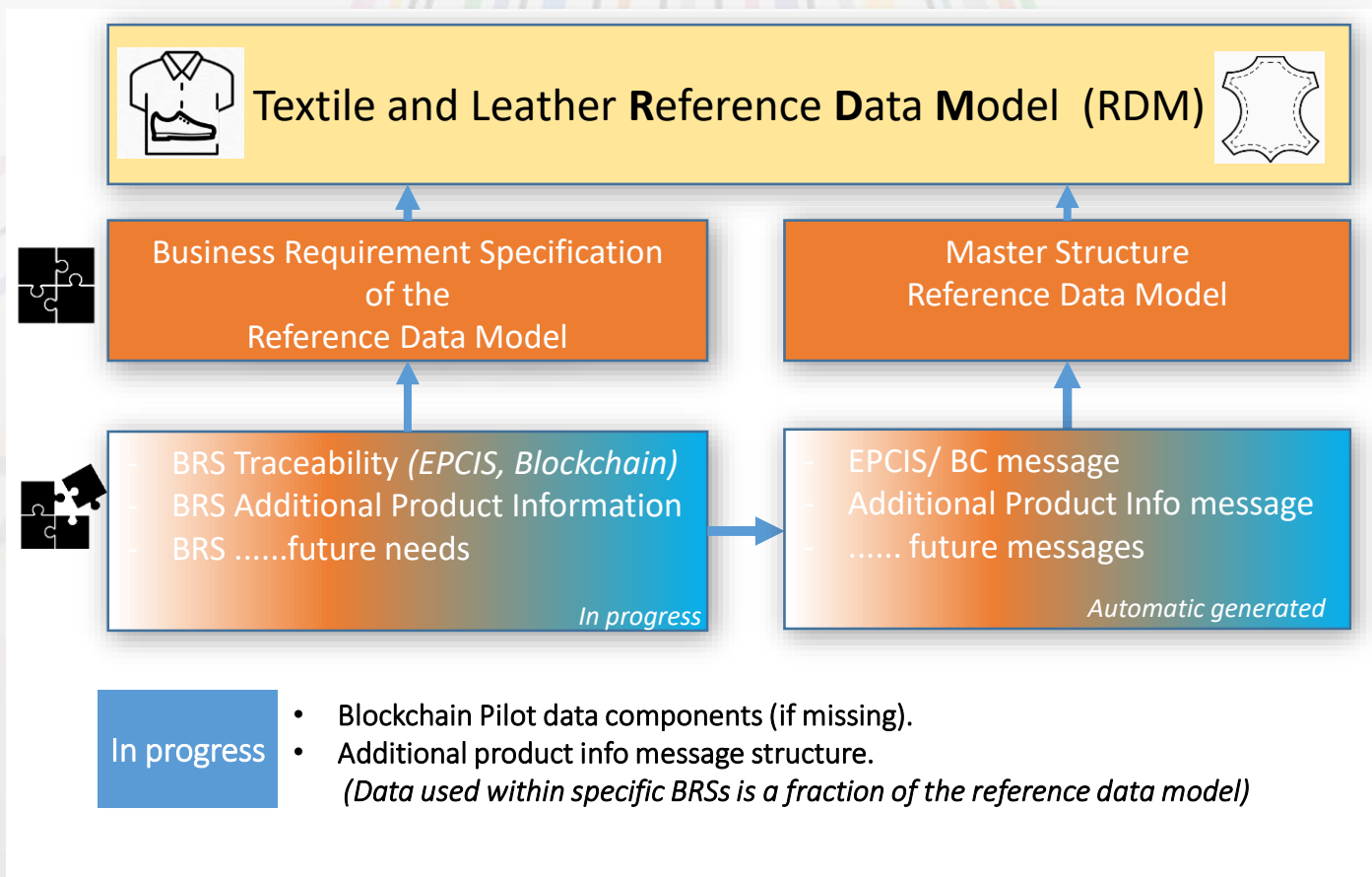


The data model contains 147 components.



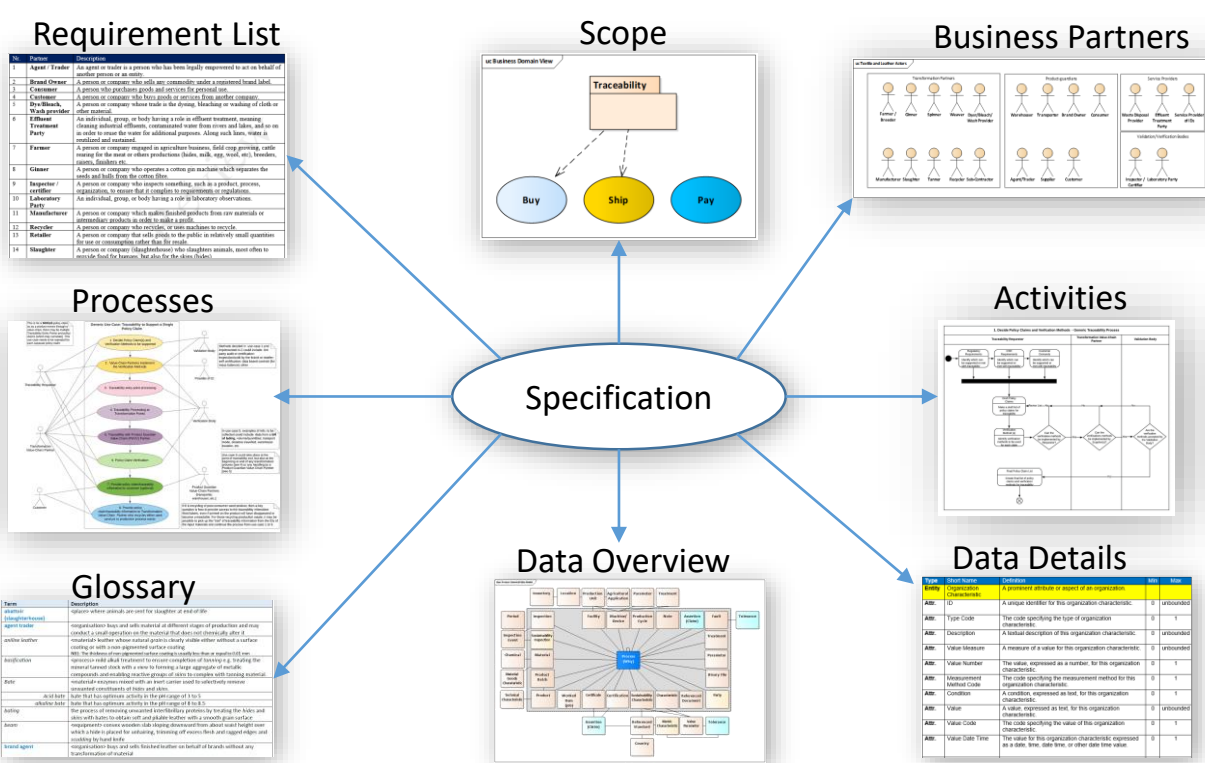


Business Requirement Specification(s)





Business Requirement Specification





Requirement List BRS

| | | | |
|------|---------------------------|--|---|
| A.1 | Flexible and inclusive | Different layers of complexity should allow small- and medium-sized enterprises around the globe to use the Textile and Leather Reference Data Model. Much of the data elements and associative information should be optional to allow "unscaling" to suit the needs of different types of users. | |
| A.2 | Traceability | Tracing the flow of the Textile and Leather Reference Data Model from the business process to the product on where it is used. | User story 01 Planting & Cultivation of Cotton: In order to avoid using hazardous chemicals during farming, <i>as a farmer, I want to claim the chemical inventory list of fertilizer supplier, so that the cotton product compliance confirms with <u>ZDHC MRSL</u> and avoid the use of hazardous chemicals in the next process steps.</i> |
| A.3 | Visibility | Know in an instant which companies, products and processes the whole supply chain comprises, how they relate to each other and how they perform, especially on sustainability. | |
| A.4 | Shareability | Visibility and information sharing across the supply chain. | |
| A.5 | Transparency | Data generated during the production process is shared across the supply chain. | |
| A.6 | Animal welfare | Information on the use of animal products in the supply chain. | |
| A.7 | Verification of claims | A sustainability standard model that can be used to verify claims. | User story 04 Ginning & transfer to Spinner: <i>As a ginner, I want to upload the <u>GOTS</u> Transaction certificate, test report (GMO-free test report, pesticide free report, quality-parameter report) issued by the certification body in the blockchain, so that I can demonstrate that the spinner receives the lint cotton output/material matching with <u>GOTS</u> certificate approved on-site by the third-party certification body.</i> |
| A.8 | Inventory lists | Exchange of Chemical Inventory List (CIL stock levels/ZDHC) in order to proof chemical management performance. Exchange of other materials, hides, fabrics, garments stock levels in order to optimize production and minimize waste. | |
| A.9 | Unique identifiers | The use of unique identifiers for each batch of material. | User story 08 Spinning & transfer to dyer, bleacher, washer: <i>As a spinning mill, I want to upload the certificate (clear stream certificate) and get the approval from <u>ZDHC</u>, so that I can show that my chemical management complies with <u>ZDHC</u> standard.</i> |
| A.10 | Process Certificates | A process certificate that can be used to verify claims. | |
| A.11 | Product Certificates | A product certificate can be specified for a product, material, chemical, production unit, production facility, sustainability characteristic. | User story 11 Spinning & transfer to dyer, bleacher, washer: <i>As a spinning mill, I want to upload the documents, reports and videos/pictures related to our Initiatives and programs in support of cotton value chain sustainability, so that I can show the support I provide to local communities, in line with SDGs in order to get appreciation and support from my supply chain partners. Together we can be stronger.</i> |
| A.12 | Organization Certificates | An organization certificate that can be used to verify claims. | |
| A.13 | Inspection events | Inspection events that can be used to verify claims. | |



Requirement List BRS

| | | | |
|------|---|---|--|
| A.14 | Inspection results | Inspection results | User story 19 Dyeing, bleaching, washing & transfer to weaver: <i>As a worker, I want to save dyeing substances and water, so that I can reduce my environmental impact.</i> |
| A.15 | Product Segregation | Product Segregation strictly separated from other products. Where product segregation is difficult or nearly impossible to achieve (e.g. for certified and non-certified commodities such as cotton, green electricity) other methods can be used. In these instances, Mass Balance or Book and | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.16 | Mass Balance Book & Claim | Mass Balance Book & Claim | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.16 | Consumption information | Consumption information | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.17 | Recycling | Recycling identified to be based on chemicals that are listed in Restricted Substances Lists (RSL) or Manufacturing Restricted Substances Lists (MRSL), so that the ready-made garments I wear | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.18 | Product information, including sustainability information | Product information, including sustainability information | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.18 | Product information, including sustainability information | Product information, including sustainability information | User story 20 Dyeing, bleaching, washing & transfer to weaver: <i>As a Standard Organization</i> |
| A.19 | Used materials | Used materials | User story 30 Weaving & transfer to Fabric Finisher(s): <i>As a laboratory assistant, I want to control what the supplier declare in terms of quality and sustainability, so that I can ensure an easy exchange of technical documents or certification with the suppliers.</i> |
| A.20 | Production process information | Production process information | User story 30 Weaving & transfer to Fabric Finisher(s): <i>As a laboratory assistant, I want to control what the supplier declare in terms of quality and sustainability, so that I can ensure an easy exchange of technical documents or certification with the suppliers.</i> |
| A.20 | Production process information | Production process information | User story 40 Weaving & transfer to Fabric Finisher(s): <i>As a fabric mill, I want to upload proof of residual chemical testing report issued by a testing laboratory in the blockchain, so that I can demonstrate that the Garment Maker receives Fabric matching with buyer RSL requirements as confirmed by a testing laboratory.</i> |
| A.21 | Transport & related sustainability information | Transport & related sustainability information | User story 40 Weaving & transfer to Fabric Finisher(s): <i>As a fabric mill, I want to upload proof of residual chemical testing report issued by a testing laboratory in the blockchain, so that I can demonstrate that the Garment Maker receives Fabric matching with buyer RSL requirements as confirmed by a testing laboratory.</i> |
| A.22 | Transaction references | Transaction references | User story 73 Post-Consumption Recycling: <i>As a sorting/recycling company, I want to know the composition and recyclability information and the certificates (pe. Organic Cotton, REACH, Higgs) linked to the product (at sorting point), so that the clothing/footwear can be re-used/recycled to the highest value in full compliance to legal requirements (pe. REACH).</i> |
| A.23 | Agricultural Products Information | Agricultural Products Information | User story 73 Post-Consumption Recycling: <i>As a sorting/recycling company, I want to know the composition and recyclability information and the certificates (pe. Organic Cotton, REACH, Higgs) linked to the product (at sorting point), so that the clothing/footwear can be re-used/recycled to the highest value in full compliance to legal requirements (pe. REACH).</i> |

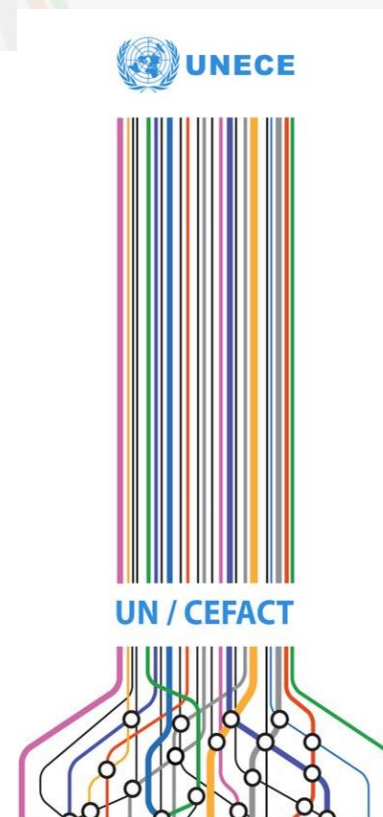


Developing the UN/CCL Data Model to support Traceability & Transparency

Internal Review BRS

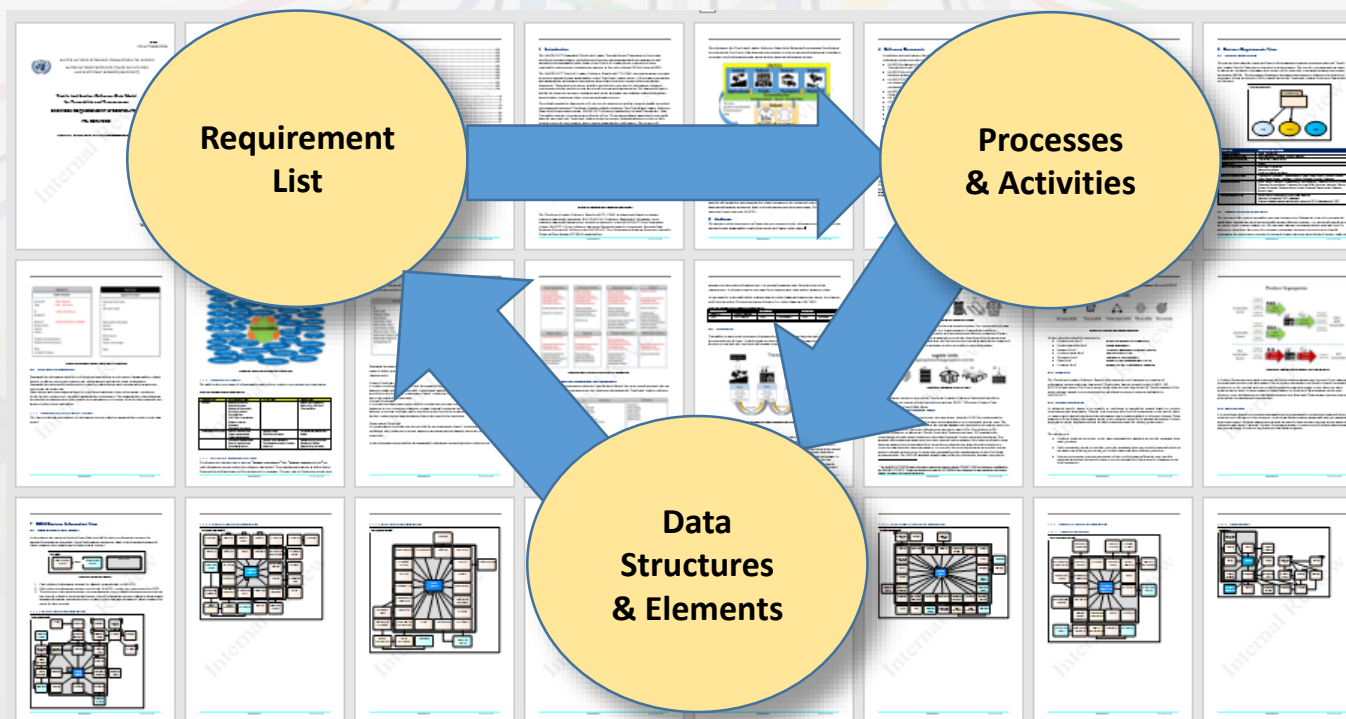
(Review Planned October 2020)

Gerhard Heemsker



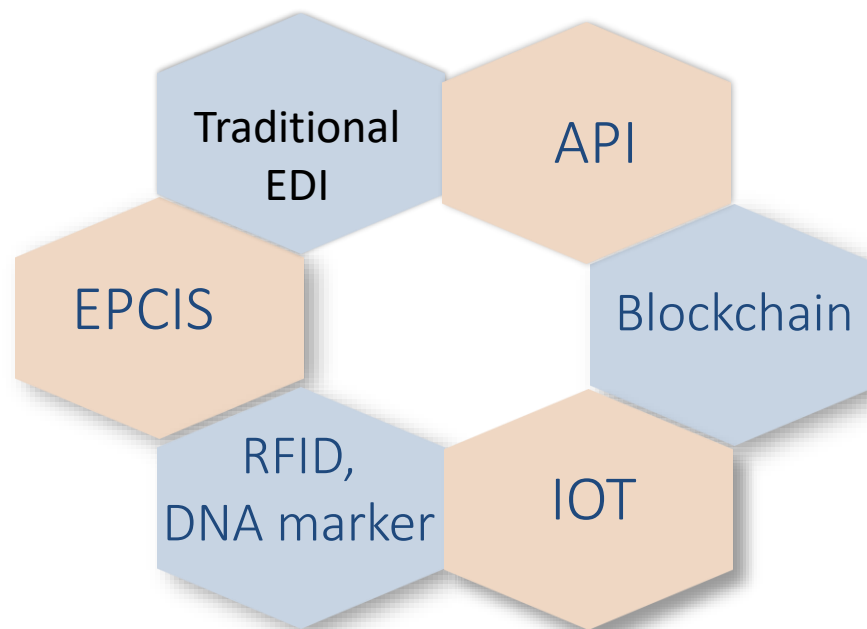


Review Data Model and specific BRSs





Review support for different technologies





Review support for sustainability aspects



| Certificate | Characteristic | Parameter | Tolerances |
|------------------------|-------------------------|-------------------------|------------------|
| ID | ID | ID | Information |
| Type Code | Category Code | Type Code | Minus Quantity |
| Purpose Code | Type Code | Type Text | Surplus Quantity |
| Description | Description | Description | Minus Percent |
| Issue Date Time | Value Measure | Name | Surplus Percent |
| Expiration Date Time | Value Numeric | Value Text | Margin Numeric |
| Issue Reason Code | Value Text | Value Measure | Margin Percent |
| Effective Date Time | Value Code | Value Allowed Indicator | |
| Applicable Object Code | Value Date Time | Status Code | |
| Applicable Object ID | Value Indicator | Status Value | |
| Issuing Party ID | Measurement Method Code | .. | |
| | Condition | | |
| | | | |



Upcoming

- Virtual conference meeting #7 – TT Standard Leather and Textile**

Monthly conference call

SAVE THE DATE 3 November 2020

- UNECE Multi-stakeholder Policy Dialogue III**

Virtual and on-site

SAVE THE DATE 23-24 November 2020

back to back with the UN/CEFACT Plenary

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

Join us 23 & 24 November 2020

in person or online for the

3rd Multi-stakeholder Policy Dialogue

in conjunction with UN/CEFACT 36th Plenary



To discuss progress on policy recommendations, technical standards, the enabling role of blockchain, and the call to action to key industry actors

23 and 24 November 2020, 10:00–13:00 and 15:00–18:00

Palais des Nations, Geneva, Room XXVI

and via WebEx Videoconference

Registration by 30 October 2020 at [Maria Teresa Pisani](#), [Olivia Chassot](#), [Olga Kharitonova](#) UNECE Secretariat

Under the UNECE project "Enhancing Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector"



Find out more: [Project's page](#)