UNECE

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

Virtual conference meeting #3 – Textile and Leather Traceability Standard

Explanatory Text for 11 March teleconference

Version of 26-02-2020

For the teleconference on 11 March, please review the **Generic Traceability Use Case** found in the file *01 Use Case V3 -Generic Traceability*.

Purpose of the generic traceability use case diagram

The purpose of this diagram is to illustrate the principle processes for establishing traceability and it should be applicable across different products – i.e. it should be good for cotton, wool, viscose, leather, etc.

This is supposed to be a very high-level diagram. After we have agreed on the principle processes, we will develop much more detailed information for each process.

> **Q.** One important question that needs to be answered with regard to the **Use Case**, is the degree to which we want to add in complexity.

Supply chains partners

As currently drawn, there are two kinds of supply chain partners:

1. "***Product-guardian***" partners who make no changes to product or raw material, they only store or transport it. Their possession of the product is recorded in order to establish "chain of custody" since product "contamination" or "substitution" could take place during their custody,
2. "***Transformation partners***" who process or change the product in some way when they possess the goods (i.e. ginner, spinner, weaver, dyer, garment manufacturer, etc.). These supply chain partners are treated as "black boxes" and guarantees as to fulfillment of the policy claim within the "black box" are done by a process "audit". This audit could take a number of forms. It could be done by one of several certification bodies, it could be done by the retailer or brand, or it could even be a self-audit consisting of a questionnaire – what is acceptable is decided by the final business customer for the product (be that a brand, a retailer or wholesaler).

Chain of custody information

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As a product moves through this process from farm to store, it collects chain of custody information which includes the ids of all the parties who had custody.

As currently diagrammed, the control as to whether products have been transferred to and from "Good" supply-chain partners, can take place either at the time of each transfer or at the end of the entire process by checking all of the chain of custody ids "attached" to the product to one or more "registers" of "good" partners.

Additional layers of complexity

Additional layers of complexity that could be added, but which are not there now are listed below. Associated questions are inserted in parentheses:

> **Q.** Physical control (how?) of the goods at one or more points (where?) in the supply chain to be sure that the all partners in the chain of custody have maintained their "good" behaviour. This could be done (when?) for every product, every batch of products (what is the definition of a "batch"?) or only as a periodic control (based on what risk analysis undertaken by whom?)
> **Q.** Volume reconciliation for mass-balance traceability system (how and when and for all or which processes?)

The more detailed analysis of the Generic Traceability model can only begin after the Use Case diagram is agreed upon.

Therefore, before the teleconference, experts should review this diagram to see if this high-level process will achieve the desired results and with the objective to come as close as possible to finalizing the Use Case Diagram.

Detailed analysis process: 5 steps

During the teleconference, Virginia will explain the detailed analysis process which consists of 5 steps, each of which builds upon the previous step. A brief overview can be found below:

1. Prepare a **Use Case diagram** identifying the principle processes (what we will focus on during this teleconference).
2. For each process, develop an **Activity Diagram** showing the participants in the process, the actions/activities undertaken, the sequence of actions and any information flows.
3. For each Activity Diagram prepare a **Business Process Description** which describes in text, "the story" behind the diagram and any information exchanges, including documents.
4. **Document/Information Exchange List** – This is based on information in the Business Process Descriptions and lists all of the information exchanges (including documents) exchanged for the Use Case and identifies where the same information is exchanged in different business processes (activity diagrams)
5. For each of the Information Exchanges listed in 4, a list of **all of the data** included in that information exchange.

In parallel to this "Generic Traceability" process analysis, we will need to undertake a detailed analysis of the Cotton to Finished Garment Process as it exists now to inform the work for the 1st pilot under the project,.

Then, we will "overlay" the Generic Traceability process on top of it in order to determine where additional activities or data collection need to be added into existing processes.

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Objective of the Generic Traceability Work (of which the Use Case is step 1)

- To identify what data needs to be exchanged, with whom and when in order to establish traceability for a policy claim

Objective of the Cotton to Finished Garment process analysis (for 1st project pilot: cotton blockchain pilot)

- To identify what product and process data is currently exchanged, with whom and when
- To identify if any new product or process data will be needed to implement the generic traceability process
- To identify when and from whom data should be collected in order to implement the generic traceability process – with a secondary objective of trying to minimize additional data collection and exchanges (i.e. costs)

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