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

## Minutes
### 36th UN/CEFACT Forum – Agriculture, Fisheries and Agri-food Domain
### Traceability for Sustainable Garment and Footwear
### 28/04/2021, WebEx, 13:30-15:30 CET

**Participants (76):** Anne-Gwenn Alexandre (Lawyer), Mauricio Bauer (WWF), Valeria Bellu (UN/CEFACT project expert), Glauco Bertoldo (Ministry of Agriculture, Brazil), Rahul Bhajekar (GOTS), Erik Bosker (UN/CEFACT Co-Domain Coordinator Agriculture, Fisheries and Agri Food, PDA Sectoral), Warren Bowden (Scottish Leather Group), Nicolo Caffaz (Salvatore Ferragamo), Luca Canevelli (Kering), Bryce Carson (US Department for Agriculture), Julien Chabert (Stanley Stella), Gaelle Cheruy (UN/CEFACT Co-Domain Coordinator Agriculture, Fisheries and Agri Food, PDA Sectoral), Margaux Cognard (Euratex), Maurizia Contu (UNIC), Virginia Cram-Martos (Triangularity, UN/CEFACT project expert), Ella Cullen (Minespider),  Marie Demaegdt (CELC MASTERS OF LINEN), Piero de Sabbata (Euratex – ENEA), Ana Díaz Ibarra (Inditex), Claudia Di Bernardino (UN/CEFACT project expert - lawyer), Niki Dieckmann (RVO the Netherlands), Gaia Fele (Salvatore Ferragamo), Inge Flowers (Authenticae), Charles Alexandre Frei (UNECE), Sabrina Frontini (ICEC), Gustavo Gonzalez-Quijano (COTANCE), Natalie Grillon (OAR), Gerhard Heemskerk (UN/CEFACT project expert), Paul Henning (UK - Department for Environment, Food & Rural Affairs), Adam Herbenson (Stardust Materials), Andrea Hirsch (GOTS), Edwina Huang (Phoenxt), Enrico Iacovizzi (IFF), Akiko Inui (PVH), Harm Jan van Burg (UN/CEFACT Vice-Chair, Agriculture, Fisheries and Agri Food domain), Kanenori Kedoin (JASTPRO), Tarun Kumar Agrawal (KTH Royal Institute of Technology, Sweden), Kevin Latner (LHCA), Clinton Liu, Jaki Love (Textiles Scotland), Franzisca Markschlaeger (GIZ), Adriana Marina (Hecho por Nosotros and Animaná), Timothy Marsh (GS1), Livia Mazzoni (Salvatore Ferragamo), Jan Merckx (GS1), Judith Meyer (weba), Gediminas Mikutis (Haelixa), Greta Moser (Avery Dennison), Iria Mouzo Lestón (Inditex), Mary Nino (ESMOD), Hania Othman (Impact @ SmartB), Markus Pikart (UNECE), Olga Pirazzi (Cittadellarte), Oleg Platonov, Stéphane Popescu (COSE361), Giacomo Poretti (SUPSI), Andrea Redaelli (UN/CEFACT project expert), Marco Ricchetti (UN/CEFACT project expert), Joséphine Riemens (FHCM), Francesca Romana Rinaldi (Bocconi University, UN/CEFACT project expert), Paul Roeland (CCC), Chuck Rogers (Bureau Veritas), Luigi Romano (Leather Links), Melissa Rusinek (Independent expert),  Raffaele Russo (Vivienne Westwood), Mina Tadros, Candia Savastano (Ministry of Economic Development, Italy), Andreas Schneider (GCS Consulting), Tarek S. Sharabati (Retraced), Michael Søndergaard (Scanhide), John Sullivan (GSA), Deborah Taylor (UN/CEFACT project expert), Isabella Tonelli (Vivienne Westwood), Jo Van Landeghem (CREAMODA), Yan Zhang (UNECE), Femke Zijlstra (PVH)

**UNECE Secretariat:** Maria Teresa Pisani, Olivia Chassot, Sarah Harris

| Agenda item | Discussion | Comments / Status | Action/Decision |
|---|---|---|---|
| **Opening UN/CEFACT Agri-domain coordinators** | Harm Jan van Burg (UN/CEFACT Vice-Chair, Agriculture, Fisheries and Agri Food domain) provided introductory remarks and introduced the two newly appointed UN/CEFACT agriculture co-domain coordinators, Erik Bosker and Gaelle Cheruy, who will replace Frans van Diepen who has retired. | | |

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

| **I. Outcomes of the 27th session UN/CEFACT plenary and 69th ECE session** *Maria Teresa Pisani, Francesca Romana Rinaldi, Claudia di Bernardino, Olivia Chassot* | The 27th session UN/CEFACT plenary and 69th ECE Session marked an important milestone for the project. Several project's deliverables were presented and adopted:<br><br>The Recommendation No. 46 ((EN – FR – RU) and the Call to Action (EN – FR – RU) have been respectively adopted and endorsed by the UN/CEFACT member States during the 27th Plenary (considering that a silent procedure has applied until 10 May 2021). The experts subgroups were thanked for the valuable comments provided throughout the review period, which have ensured that the UNECE toolbox could meet their expectations by providing a set of tools to address their priorities and needs towards greater sustainability and circularity in the garment and footwear sector.<br><br>The Call to action invites governments, companies and all actors, in the garment and footwear industry to commit towards implementing the measures laid out in the Recommendation No46. By the 10th May 2021, a letter will be sent out to invite actors to submit pledges. The pledges can be submitted until 10th September 2021 and they will be presented during UNECE first regional workshop from 21 to 23 September. The Call to action comprises an annexed template to submit pledges, and the project's website to be launched in the coming weeks will advertise the pledges submitted in order to share good practices, lessons learned, ongoing initiatives. It will constitute the starting point for the report of commitments taken under UNECE Call to action, which will be put together by the secretariat from 2022 onwards.<br><br>The Mapping of Policy Developments on Traceability and Transparency and its Executive Summary have been conducted from April 2020 to April 2021 and identified +100 existing policies, regulations and guidelines globally for transparency and traceability across sectors (garment and footwear, minerals, agri-food, timber, cosmetics) at global scale. The mapping enables to get an in-depth analysis about the regulatory and policy trends in the area of the sustainable value chains. In order to move towards an integrated and collaborative approach, the project plans to set-up an online traceability and transparency platform on regulations, policies and guidelines to spur knowledge sharing between project's experts to monitor the developing policy and regulatory framework. | *Reference documents (CUE space)*<br>- *UNECE Policy Recommendation and implementation Guidelines N°46 (April 2021)*<br>- *The Call to Action / Sustainability Pledge (April 2021)*<br>- *Mapping of policies, regulations and guidelines: Report, Policy developments on traceability and transparency and its Executive summary for policymakers (April 2021)*<br>- *Policy brief – Harnessing the potential of blockchain technology for due diligence and sustainability in cotton value chains (April 2021)*<br>- *Minutes of Virtual conference meeting 25.03.2021*<br><br>▪ Consider informing about the timeline for the publication of the online knowledge sharing platform for traceability and transparency on regulations, policies and guidelines. | ▪ All interested actors in the garment and footwear industry are invited to submit their commitment as part of the launch of the Call to action / Sustainability Pledge using the dedicated form *https://form.jotform.com/211244876449059* by the 10 September 2021.<br><br>▪ The takeaways from the mapping will be detailed in the Report on policy developments on traceability and transparency to be published in 2021.<br><br>▪ The secretariat will inform the experts about the timeline for the launch of the online traceability and transparency knowledge platform on cross-sectorial and sector-specific regulations, policies and guidelines at global scale. |

With the support of

| | | | |
|---|---|---|---|
| | The Policy Brief – Harnessing the Potential of Blockchain Technology for Due Diligence and Sustainability in Cotton Value Chains features the highlights of the pilot implementation phase in 2020, lessons learned on gaps and challenges and it lays out preliminary recommendations and considerations on the supporting role of blockchain for due diligence and sustainability. | | ▪ The pilot's policy brief will be complemented by the cotton pilot's Proof-of-concept to be published in September 2021. |
| **II. Next steps 2021 and 2022**<br><br>*Maria Teresa Pisani*<br>*Sarah Harris*<br>*Virginia Cram-Martos*<br>*Deborah Taylor* | **a) Training plan, capacity-building**<br>In comparison to the previous version of the capacity-building plan presented in March 2021, it has been updated with a regional workshop to be organized in North America. The plan is to conduct throughout 2021 and 2022 six regional workshops of 3 days each targeting garment and footwear makers, policymakers and opinion makers. The training workshops will be organized as much as possible in a blended modality (physical and virtual). As suggested, the recording the training sessions and classes will be made available on the project's website for further dissemination and use. The first regional workshop will be held from 21 to 23 September 2021 in Europe, Milan, in partnership with the SDA Bocconi in a blended modality (physical and virtual). The 8 modules disseminated throughout three days will cover all the project's deliverables. A press conference to communicate about the project's progress and achievements will be organized on 21 September 2021 which coincides with the Milan Fashion Week.<br><br>**b) The Sustainability Pledge: communication actions, visual identity**<br>In order to support the project's partners to tell a story about their actions and illustrate the project's deliverables, a series of communication products are currently under development: the project's dedicated website, logo, tagline, text, infographics, visual cards, press releases and other social media campaigns, which will be distributed at key points of the project's development. The Italian foundation Cittadellarte has been contracted for creative input and design work. The ongoing consultation with the stakeholders and partners will support the adoption of the project's visual identity, which will once finalized become the primary project's visual identity. The project may try to identify UN goodwill ambassadors for the project.<br>**c) Business Process Analysis for textile and leather**<br>The Business Process Analysis (BPA) is a methodology for documenting and analysing the processes and the data flows in value chains. The BPA further analyses the actors, the sustainability risks and associated mitigation measures. | *Reference documents (CUE space)*<br>- *Capacity Building Plan (draft April 2021)*<br>- *The Business Requirements Specifications (BRSs) for Traceability and Transparency for Textile and Leather (April 2021)*<br>   o *Part I High Level Process and Data Model*<br>   o *Part II Use cases and CCBDA*<br>- *The Business Process Analysis for Textile (ongoing)*<br>- *The Business Process Analysis for Leather (April 2021)*<br>- *Code Lists and Identifiers for Leather and Textile (draft April 2021)*<br>- *Policy brief – Harnessing the potential of blockchain technology for due diligence and sustainability in cotton value chains (April 2021)* | • Experts are invited to send their suggestions to the secretariat regarding possible partnerships for the organization of the regional workshops forecasted in the capacity-building plan shared ahead of the meeting.<br><br>• Experts are invited to send suggestions of journalists and media to invite for the press conference which will take place on 21 September 2021 in Milan during the regional workshop.<br><br>• Experts are invited to send their comments regarding the communication products under development (tagline, logo) and suggestions of potential UN goodwill ambassadors.<br><br>• In the coming weeks, UNECE will post a press release about member States endorsement during 27th UN/CEFACT plenary, the opening of the Call to action and the launch of the Sustainability pledge. The commitments as part of the Call to action / Sustainability pledge will be gathered ready for the 4th Multi-Stakeholder dialogue on 21-23 September 2021 in Milan, Italy. |

With the support of

The BPA's purpose is to compare the existing processes to the required data collection needed to support sustainability. The existing processes and data flows are compared to a generic traceability and transparency model which helps identifying the data gaps. The BPA for leather is final, while the BPA for textile will be finalized by September 2021.

**d) Business Requirements Specifications (BRS) for textile and leather: code lists and identifiers; XML messages**

The benefits stemming from the use of code lists, identifiers and XML messages is to exchange data about traceability and transparency, share it and exchange it in an automatized less costly way than paper-based. The SDCE (Sustainable Development and Circular Economy) is the Reference Data Model developed under the project, whereby the data components for textile and leather for sustainable trade and transparency were identified and will be integrated into the UN/CCL. The product transparency message (key information entities: product/batch/material, party, facility, location, process, transportation, consignment, trade transaction, shipment) is created in addition to the traceability event message. A draft reference guide to code lists and identifiers for textile and leather has been circulated to the experts for consultation for review and completion.

**e) Project's blockchain applications in cotton and leather**

For the cotton pilot, the development of the blockchain-based platform is almost completed, following several internal dry run sessions and with cotton partners. The pilot team will kick-off the virtual training phase with the 7 working groups (disseminated throughout Europe, Africa, the USA, Central Asia and Latin America) from May onwards. In addition, the secretariat and pilot team will organize a weekly "stand-up" meeting from June to end July 2021, so that the partners can update on progress and raise their questions as part of the pilot run. SUPSI started the development of the blockchain platform back in October 2020 and in the past months, they run several dry run sessions to test the platform with real users. The platform stands ready for future automation of events, which are for now executed through manual data entry management considering existing ERP systems. For more details about UNECE blockchain platform's features and characteristics, kindly refer to the presentation of 28.04.2021 36th UN/CEFACT

- The cost-benefit analysis will be evaluated within the pilot's Proof-of-Concept, addressing also the cost distribution in the value chain.

- Questioning the scoping of the synthetic fibres value chain, starting with the chemical transformation of the petro-chemical and not with the extraction of crude oil - consider an agile small-scale approach to start running these pilots with a low level of complexity. It will be considered to extend the scope afterwards.

- The BPA for leather is final and available for consultation on the project's website. The BPA for textile covering all the main types of fibres and materials (synthetic, man-made cellulosic fibres, animal-based fibres, cotton etc.) will be finalized by September 2021.

- The code lists and identifiers guide for textile and leather (draft April 2021) has been circulated to the experts for consultation. The secretariat will organize a dedicated meeting to discuss the code lists, identifiers and XML messages.

- Experts are invited to send their inputs to the secretariat regarding policies, studies, information tools for consideration to feed in the sustainability claims guidelines. The draft sustainability claims guidelines will be shared with the experts shortly.

- The secretariat will share with the pilot partners the draft rules book on data management presenting the rules of collaboration between UNECE and the partners, data collection, use, availability and sharing.

- Experts are invited to send their inputs to the secretariat regarding the level of supply chain data visibility and the

| | | | |
|---|---|---|---|
| | forum *(CUE space)* and the pilot's Policy brief. A series of user screens and samples of supply chain graph representations were presented to showcase the logical flow of end-to-end traceability based on document transaction registration. UNECE cotton's pilot proof-of-concept and blockchain-based open source system will be me made available to the industry free-of-charge.<br><br>The leather pilot is at early stages of development, building on the learning from the cotton experience. The on boarding of project partners is completed across 4 working groups (WG1 Gap analysis WG2 Pilot scoping WG3 Support WG4 Validation). The welcome meeting was held on 12 April 2021. It was been asked to the leather partners to start considering their value chain selection (materials, partners and processes). The second step will be the identification of the information exchange and data within the value chain covering the 5Ws for traceability. The third step is the formulation of the user story, underpinned by their end-goals.<br><br>Regarding the sustainability claims, data management and disclosure, the project team is working on generic guidelines on sustainability claims building on UNECE Recommendation No46 and EU ongoing initiatives. The claims are closely linked to the data collection, management and sharing. Regarding the data collected during the pilots, an end-of-life policy for post-project data management will be applied. In terms of privacy and confidentiality, and transparency a trade-off building on privacy-by-design has been defined. At this stage, there are 5 transparency layers identified in the context of this pilot, as follows: certificates, country, region, company/subsidiary, name of subsidiary – which have to be selected in the platform by each partner involved in the value chain. | ▪ Consider how the authentication of the documents is carried out for their storage in the platform.<br><br>▪ Consider how to reinforce the stages of the supply chain to have a fair distribution of cost of the blockchain technology and other similar developments for circularity and traceability.<br><br>▪ Consider the types of claims which have been used for developing the guidelines. It is building upon UNECE Recommendation No46 and the claims selected by the pilot partners.<br><br>▪ In addition to brands, footwear and leather makers are also entitled to make claims. Any actors involved in the value chains can formulate claims about their products. | availability of disclosure in the blockchain platform. |
| **III. Next steps** | • Conference Call #9 All subgroups meeting **1st July 2021** at 15:00-16:30 CET (WebEx teleconference) | | |
| **Background documents** (also on CUE space) | **POLICY**<br>• UNECE Policy Recommendation and implementation Guidelines N°46 (April 2021)<br>• The Call to Action / Sustainability Pledge - FR version – RU version (April 2021)<br>**STANDARD**<br>• The Business Requirements Specifications (BRSs) for Traceability and Transparency for Textile and Leather (April 2021)<br>    o Part I High Level Process and Data Model<br>    o Part II Use cases and CCBDA | | |

<table>
<tr><td></td><td>

- The Business Process Analysis for Textile (*ongoing*)
- The Business Process Analysis for Leather
- Code Lists and Identifiers for Leather and Textile (*ongoing*)

**PILOT**

- Policy brief – Harnessing the potential of blockchain technology for due diligence and sustainability in cotton value chains (April 2021)

**GUIDELINES AND STUDIES**

- Mapping of policies, regulations and guidelines: Report, Policy developments on traceability and transparency and its Executive summary for policymakers (April 2021)

**PROJECT'S WEBPAGE**

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

**36th UN/CEFACT FORUM**

https://unece.org/trade/cefact/36th-uncefact-forum

</td></tr>
</table>

With the support of