



TextileExchange
Creating Material Change

Roundtable 3

Innovation and digital tools to support sustainability and due diligence

24 November 2020

Textile Exchange

Our Mission

Textile Exchange **inspires** and **equips** people to **accelerate sustainable practices** in the textile value chain. We focus on **minimizing the harmful impacts** of the global textile industry and **maximizing its positive effects**.

Our Vision

We envision a global textile industry that **protects** and **restores the environment**, while enhancing lives. **By 2030** we aspire to guide the textile industry to **reduce** GHG emissions (CO2 equivalents) by **45% from a 2020 baseline**

How We Drive Transformation



Benchmarking



Standards



Learning Center



Conference



Round Tables



SDG Resources



Fiber Commitments



Membership

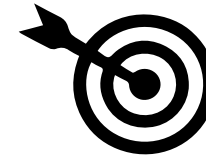
Challenges of Responsible Consumption & Production

Consumer awareness and sustainability claims



People want to do the right thing

- 60% want to know if their clothing and home textiles are safe from harmful substances and responsibly produced
- 31% indicate that they have purchased certified clothing



Majority of top 100 brands have announced 100% sustainable fibers target by 2022-2025



Consumers are interested but skeptical

- 52% check for certification label
- 49% check for fiber content
- 34% check for brand's sustainability practices



Only 34% of companies has a traceability approach of which half has visibility up to material manufacturing or finished materials production only (UNECE, 2019)

The Role of Sustainability Standards



Material verification
(Forensic authentication)

Physical testing to authenticate material in product.



Transaction verification
(Chain of Custody)




- Chain of custody is the custodial sequence of how the material ownership is changed from one party to another in the supply chain.
- Traceability is the ability to demonstrate this chain of custody.
- Transparency is the access of visibility to the extent which the material is traced.



Site verification
(Scope verification)

Verification of processes at site to ensure compliance to baseline sustainability criteria.

Textile Exchange's Traceability Programs

	TC - Now	Track 1 Digital Trackit	Track 2: Electronic Trackit	
 <p>Material verification (Forensic authentication)</p>			Forensic results	
	COC model	Segregated	Segregated	
	Traceability method	Certificates	Digital certificates	Electronic (tokens)
	Data flow	CE → CB	CE → CB → TE	CE → TE → CB
	Validation	CB manual	CB manual	System auto
	Verification	CB	CB	CB
 <p>Site verification (Scope verification)</p>	Scope Certificates (CB → TE)	Scope Certificates (CE → TE)		

Opportunities in Innovative Technologies



Material verification
(Forensic authentication)



Transaction verification
(Chain of Custody)



Site verification
(Scope verification)

Physical Tracers
(Isotope, Microbiome, DNA,
Fluorescent Ink, Nano-
Marker, Invisible ink)

Tagging Tracers
(RFID, NFC, Integrated)
IoT

Central Database, Cloud Database, Permissioned / Public
Blockchain
(Standards, Suppliers, Certification Body, Third Party)

Audit Management System
Certification System
Geographical Information System
Farm Management System

AI, ETL
Machine Learning

The Missing Links



Cost

Certification cost
Traceability cost
Fair distribution
of cost
Price paradigm



Integrity

Compliance
Impact
Assurance
Performance
Risk



Security & Privacy

GDPR
Commercial sensitive
data vs transparency
Incentives
Marginalized
stakeholders
Security



Measurement

Definition
Data model
Indicators
Claims framework
(sustainability,
assurance,
marketing)

Thank you



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