Enhancing transparency and traceability of sustainable and circular value chains in the garment industry

Timeframe: 2019-2023
Supported by DG International Partnerships

The joint trade for development agency of the UN and the WTO
*Trade-related technical support to SMEs, free-to-use web-based business solutions*

United Nations Economic Commission for Europe
*Norms, standards & tools for to advance sustainable and efficient value chains management*

Team of Specialists on Environmental, Social and Governance Traceability of Sustainable Value Chains in the Circular Economy - First Meeting

10 November 2021
### Global level
- UN 2030 Agenda for Sustainable Development – UN Guiding Principles on Business and Human Rights
- UN Global Compact
- ILO Declaration on Fundamental Principles and Rights at Work and ILO Conventions on Labour Standards, Better Work
- OECD Guidelines for Multinational Enterprises - Guidelines for Due Diligence in Garment & Footwear

### EU level
- Green Deal
- Circular Economy Action Plan
- Mandatory Human Rights and Environmental Due Diligence initiative
- Revision of Non-Financial Reporting Directive
- Textile Strategy
- European Parliament Resolution on the EU Flagship Initiative on the Garment Sector
- European Economic and Social Committee (EESC) Towards an EU Strategy for Sustainable Consumption

### National level
- France Law on duty of vigilance by multinational companies
- The Netherlands Dutch Agreement on Sustainable Textiles
- Germany preparing/implementing due diligence legislation applying to the sector
- UK Modern Slavery Act
- US Textile Product Identification Act
- Australia Modern Slavery Act
- India Indian Companies Act

---

**How can economic operators along the supply chain implement these policies practically & effectively?**

Minimizing risks and costs, complying to voluntary and regulatory requirements, in particular SMEs

**How can we help consumers make sure that the claims on the products they buy are true?**

**And how can we help as public institutions?**
Transparency and traceability project

Traceability system
Multi-stakeholder policy platform to design policy approaches and standards to support the private sector in due diligence, through traceability of sustainable and circular value chains.

Audit sharing platform
Development and implementation of online set of social/labour data assessment and sharing solutions - driving harmonization, saving costs, and increasing transparency in supply chains.

Transparency and traceability in the garment industry

Policy makers
Standard organisations
NGOs, business organisations etc.
**ITC Sustainability Gateway solutions**

**Sustainability Map:**
Visualize brands’ suppliers location, factory profiles, social and environmental audit results.

---

"One-stop shop" - acting as a global public repository of neutral and trusted information about businesses’ sustainability credentials

**Business Potential** – businesses complying with sustainability schemes are missing business opportunities or preferential financing conditions

**Integrity** – suppliers face difficulties when providing evidence about their sustainability claims to buyers and retailers

**Visibility** – need for brands to provide information about their supply chain and sustainability practices commitments

**Unique Identifier** – Reduce duplication of efforts and audit fatigue by understanding which suppliers are certified by multiple standards or codes of conduct
Pre-competitive consortium of 254 signatories, including manufacturers associations and many of the largest fashion brands

The SLCP system avoids audit duplications by providing a converged S&L assessment framework to be used by all participating stakeholders.

Converged Assessment Framework (CAF): data collection tool and robust verification, co-developed with ILO Better Work

Over 10 million EUR in savings estimated for garment facilities as of November 2021 that can be redirected towards the improvement of social and labour conditions.

Brands accepting SLCP Assessments

List current as of 01 November 2022. For more details, including which countries and tiers brands & standard holders accept SLCP data from, please see the full list on the SLCP website.
1. Data collection: Facility self-assessment

2. Verification: External check on accuracy and completeness

3. Sharing of verified social/labour data to all buyers

4. Data analysis, scoring, translation to standard done by “Accredited Hosts”

Certified Verifiers
Maintaining high standards for facility data verification

SLCP Gateway
International Trade Centre

Manufacturer-driven assessment and sharing process
Gateway uptake

Exponential growth in uptake

- October 2021: Over 6,000 users in the system and over 5,000 completed verified assessments.
- Estimated over $12 million in savings as of October 2021.
- July 2022: Targeting 10,000 facilities using the system.
- December 2023: Targeting 25,000 facilities, roughly 77% of global facility volume.
Looking forward

Expanded uptake and further integration

- **Increase number of facilities and brands** utilizing the Gateway and implementing the traceability standards through outreach and working with more partners and Support uptake and improvement of working conditions through continued **SME capacity building**

- **Integration** of traceability standard with the Gateway and harmonization of coverage, e.g. increased attention to environmental issues in the Gateway

- **Potential replicability** to other sectors to support the effective implementation of EU sustainability objectives

Data-informed solutions

- **Leverage data from IT platforms**, which can be used to inform future policy choices
  - Compliance information from thousands of factories across all regions aggregated and anonymized
  - Identify areas of progress and difficulties in the garment sector and develop strategies to address gaps on the ground