REGIONAL WORKSHOP UNECE-FAO

Morning Session

**DAY 2 - WORKSHOP - MORNING, APRIL 7TH 2022**

<table>
<thead>
<tr>
<th>Time</th>
<th>Activity</th>
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<tr>
<td>09:00-09:30</td>
<td>OPENING SESSION</td>
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<tr>
<td>09:30-10:00</td>
<td>Moderator</td>
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<tr>
<td></td>
<td>• United Nations Economic Commission for Europe (UNECE), Maria Teresa Piscani, Economic Affairs Officer and Project Lead</td>
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<td></td>
<td>• United Nations Economic Commission for Europe (UNECE), Elisabeth Tuerk, Economic Cooperation and Trade Division Director (video message)</td>
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<td></td>
<td>• Economic Commission for Latin America and the Caribbean (IECLAC), Keiji Inoue, Officer in Charge, International Trade and Integration Division</td>
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<td>• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Luiz Beduschi, FAO - Territorial Development Policy Officer</td>
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<td>• Activist, Lily Cole</td>
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<tr>
<td>10:00-10:30</td>
<td>CONVERSATION WITH LILY COLE</td>
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<td>• Activist, Lily Cole</td>
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<td>• Fashion Revolution Chile, Maria Beatriz O'Brien, Country Coordinator Chile</td>
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<td>• Ecofibra, Franklin Zepeda, CEO</td>
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<tr>
<td>10:30-11:30</td>
<td>MODULE 1: THE UNECE INITIATIVE AND TOOLBOX FOR TRANSPARENCY AND TRACEABILITY - SCALING-UP: THE SUSTAINABILITY PLEDGE AND TOOLBOX</td>
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<tr>
<td></td>
<td>Learning Objective: Understanding the purpose, outcomes and potential impacts of the UNECE international framework initiative and toolbox (BPX, policy recommendation, etc.) and promote your action for sustainability and circularity.</td>
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<td>Presenters:</td>
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<td>• United Nations Economic Commission for Europe (UNECE), Maria Teresa Piscani, Economic Affairs Officer and Project Lead</td>
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<tr>
<td></td>
<td>• UNECE Project Legal Expert, Claudia di Bernardino</td>
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<td>• UNECE Project Expert, Virginia Carr-Martins</td>
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<td>• UNECE Project Expert, Francesca Romana Rinaldi</td>
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<td>Case Study:</td>
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<td></td>
<td>• Mulberry, Rosie Wollacott Phillips, Group Sustainability Manager (online)</td>
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<td>• Giorgio Armani, Rossetta Rivas, Sustainability Director (online)</td>
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<td>Discussant:</td>
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<td>• World Wildlife Fund (WWF) Chile, Ricardo Bosshard, Director</td>
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<td>11:30-12:00</td>
<td>Coffee break</td>
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<td>12:00-12:45</td>
<td>MODULE 2: REGIONAL CONTEXT</td>
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<td>Learning Objective: Understand the state of the region from a traceability and transparency perspective in rural areas and textile and fashion industry</td>
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<td>• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Adriana Gregolin, Regional Coordinator + Cotton Project</td>
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<td>Discussants:</td>
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<td>• FAO Colombia, Marcos Rodriguez, Senior Specialist in Rural Development, Food Systems and Inclusive Markets (online)</td>
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<td>• INEXMODA Colombia, Lorenzo Velasquez, Director of Knowledge and Transformation</td>
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<td>• National Society of Industry (ISNI) Perú, Martín Reano, Textile Committee Manager</td>
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<td>• Peruvian Textile Exporters Association (PREVEX), Rizal Braggagmi, Executive Director (online)</td>
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<td>12:45-13:30</td>
<td>MODULE 3: MAKING TRACEABILITY AND TRANSPARENCY WORK: SUSTAINABLE, CIRCULAR AND INCLUSIVE VALUE CHAINS FOR A COMPETITIVE AGRICULTURE AND TEXTILE INDUSTRY</td>
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<td>Learning Objective: Take stock of key considerations of sustainable initiatives of industry in LAC Region adding value through sustainability</td>
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<td>Presenters:</td>
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<td>• UNECE Project Expert, Francesca Romana Rinaldi</td>
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<td></td>
<td>• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Camilo Quintero, Market Specialist</td>
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<td>Discussants:</td>
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<td>• Cooperative Agraria de Servicios Múltiples “Tallín – Chusís” (COSTACH) Perú, Roberto Tune, Executive Management Assistant (online)</td>
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<td>• Brazilian Cotton Growers Association (ABRAPA) Brasil, Fernando Rati, Agricultural and Sustainability Manager (online)</td>
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<td>• Grupo CRYSTAL Colombia, Pamela Collejas, Market and Trend Research Management</td>
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<td>• Brazilian Textile and Apparel Industry Association (ABIT) Brasil, Fernando Pimentel, President of the Board of Directors (online)</td>
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<td>13:30-14:30</td>
<td>Lunch Break</td>
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United for greater traceability, transparency and circularity in the garment and footwear sector
REGIONAL WORKSHOP UNECE - FAO

OPENING SESSION

7 April, 09.30-10.00

Moderator

• UNECE, Maria Teresa Pisani, Economic Affairs Officer and Project Lead

Speakers

• United Nations Economic Commission for Europe (UNECE), Elisabeth Tuerk, Economic Cooperation and Trade Division Director
• Economic Commission for Latin America and the Caribbean (ECLAC), Keiji Inoue, Officer in Charge, International Trade and Integration Division
• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Luiz Beduschi, FAO - Territorial Development Policy Officer
• Activist, Lily Cole
OPENING SESSION

Moderator

Maria Teresa Pisani
Economic Affairs Officer and Project Lead, UNECE

Speakers

Elisabeth Tuerk
Economic Cooperation and Trade Division Director, UNECE

Keiji Inoue
Officer in Charge, International Trade and Integration Division, ECLAC

Luiz Beduschi
FAO - Territorial Development Policy Officer, FAO RLC

Lily Cole
Activist

United for greater traceability, transparency and circularity in the garment and footwear sector
CONVERSATION WITH LILY COLE

7 April, 10.00-10.30

• Activist, Lily Cole
• Fashion Revolution Chile, María Beatriz O’Brien, Country Coordinator Chile
• Ecofibra, Franklin Zepeda, CEO
CONVERSATION WITH LILY COLE

Lily Cole
Activist

María Beatriz O’Brien
Country Coordinator Chile, Fashion Revolution Chile

Franklin Zepeda
Ecofibra, CEO

United for greater traceability, transparency and circularity in the garment and footwear sector
REGIONAL WORKSHOP UNECE - FAO

MODULE 1: THE UNECE INITIATIVE AND TOOLBOX FOR TRANSPARENCY AND TRACEABILITY - SCALING-UP: THE SUSTAINABILITY PLEDGE AND TOOLBOX

7 April, 10.30-11.30

Presenters
• UNECE, Maria Teresa Pisani, Economic Affairs Officer and Project Lead
• UNECE Project Legal Expert, Claudia di Bernardino
• UNECE Project Expert, Virginia Cram-Martos, CEO, Triangularity S.L.
• UNECE Project Expert, Francesca Romana Rinaldi

Case Study
• Mulberry, Rosie Wollacott Phillips, Group Sustainability Manager (online)
• Giorgio Armani, Rossella Ravagli, Sustainability Director (online)

Discussant
• WWF Chile, Ricardo Bosshard, Director
MODULE 1: THE UNECE INITIATIVE AND TOOLBOX FOR TRANSPARENCY AND TRACEABILITY - SCALING-UP: THE SUSTAINABILITY PLEDGE AND TOOLBOX

Presenters

- Maria Teresa Pisani
  Economic Affairs Officer and Project Lead, UNECE

- Claudia Di Bernardino
  UNECE Project Legal Expert

- Virginia Cram-Martos
  CEO, Triangularity S.L., UNECE Project Expert

- Francesca Romana Rinaldi
  UNECE Project Expert

Case Study

- Rosie Wollacott Phillips
  Group Sustainability Manager, Mulberry (online)

- Rossella Ravagli
  Sustainability Director, Giorgio Armani (online)

Discussant

- Ricardo Bosshard
  Director, WWF Chile (TBC)

United for greater traceability, transparency and circularity in the garment and footwear sector
United for greater traceability, transparency and circularity in the garment and footwear sector

Session Outline

Presentation

1. The Sustainability Pledge and Toolbox
2. The regulatory landscape and the UNECE Policy recommendation
3. Principles and Components of a traceability system and Business Process Analysis
4. The Sustainability Pledge: call to Action

Discussion and case studies

1. Mulberry
2. Armani
3. WWF
REGIONAL WORKSHOP UNECE- FAO

The Sustainability Pledge and Toolbox

Maria Teresa Pisani
Economic Affairs Officer and Project Lead,
United Nations Economic Commission for Europe (UNECE)
United for greater traceability, transparency and circularity in the garment and footwear sector

**Definitions**

**Traceability**

the ability to trace the history, application or location of an object

“...the conditions in which they were produced through the supply chain” (OECD, 2018)

**Transparency**

“...relevant information being made available for all elements of the value chain in a harmonized way.... which allows for common understanding, accessibility, clarity and comparison” (EU, 217)

**Sustainability**

“all activities, throughout a product’s life cycle, take into account their environmental, health, human rights and socioeconomic impacts, and their continuous improvement” (UNSDG; UNECE, 2020)

**Circularity**

“the ability of this process to retain the value of products, materials and resources in the economy for as long as possible” (EU, 2015)

**UNECE Recommendation No. 46:** Enhancing Traceability and Transparency of Sustainable Value Chains in the Garment and Footwear Sector: [https://unece.org/sites/default/files/2021-04/ECE_TRADE_C_CEFACT_2021_10E_Rec46-Textile_0.pdf](https://unece.org/sites/default/files/2021-04/ECE_TRADE_C_CEFACT_2021_10E_Rec46-Textile_0.pdf)
The UNECE Framework Initiative
Enhancing Traceability and Transparency of Sustainable Value Chains in the Garment and Footwear Industry

Toolbox – Timeframe 2019-2022

01. **Policy** Dialogue Platform & Recommendation
   - Adopted in April 2021

02. **Traceability Standard & Implementation Guidelines**
   - Adopted in April 2021

03. **Blockchain** Pilots & Capacity Building
   - Ongoing

04. **Call to Action** & Sustainability Pledge
   - Ongoing

Blockchain pilots +50 partners (brands-manufacturers, IGOs, standard setters, academia/start-ups)

+250 project experts
+33 consultation meetings +2000 participants
+780 experts in the wide network
+190,000 companies represented

+30 countries

Project governance

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

**Project Steering Committee**
- Review progress, gaps and challenges against project expected results (EC, UNECE, ITC)

**UNECE Secretariat**
- Manages the project
- Ensures achievement of project outputs
- Set-up project team

**UNECE – UN/CEFACT Project Group of Experts**
- Form the multi-stakeholder project platform
- Discusses, provides input into, and validates project outputs

**UNECE – UN/CEFACT Working Party**
- Adopts the policies, standards and guidelines developed by the project, following the Open Development Process (ODP)

**Project Team**
- Project Leader/Manager
- Project Co-Leader
- Project Consultants/Advisors

United for greater traceability, transparency and circularity in the garment and footwear sector
Project Timeframe 2019-2023

2019-2021

- Adoption UN/CEFACT Plenary 69th UNECE Commission Session Apr 2021
- Multi-stakeholder policy dialogues
- Rec No. 46 & Guidelines Call to Action BPAs & BRSs Ecosystem and policy mapping

2022

- Call to Action / Sustainability Pledge
  - Jan March May Jul Sept Nov

2023

- MM CELLULOSIC
- SYNTHETIC
- WOOL & CASHMERE

UNECE Toolbox uptake and implementation

- Training, Pilots & Capacity Building
- LEATHER
  - Regional Workshop Milan 1
  - Regional Workshop Santiago 1
  - 7th EU – African Business Forum
  - Regional Workshop Tashkent
  - Regional Workshop Santiago 2
  - Regional Workshop Cairo

- COTTON EXTENSION
  - Regional Workshop Santiago 2

- Blockchain Pilots

United for greater traceability, transparency and circularity in the garment and footwear sector
From Sept. 2019 to Sept. 2021

**Policy**
- Policy Recommendation No.46
- Call to Action
- Policy Brief – The blockchain technology for due diligence and sustainability in cotton VCs

**Standard**
- Business Process Analysis for Leather & Textile
- Business Requirements Specification, Processes, Part I. Use cases, Part II

**Guidelines and Studies**
- Mapping of policies, regulations and guidelines
- Mapping of Sector Ecosystem

**Toolbox**

United for greater traceability, transparency and circularity in the garment and footwear sector
A. Introduction

• **Transparency and traceability**: enablers for compliance with policy/regulated/corporate objectives for sustainability & circularity and for solid claims

B. Scope

• **Whole Value Chain**: from raw material production, through manufacturing, to consumption and post-consumption

• **Action areas**: for Recommendations

C. Target audience

• **Public-sector policy makers**

• **And**: Business and industry associations; Consumers; IGO; Investors; Local authorities; NGOs; Scientific and technological community; Workers and trade unions

D. Purpose & Benefits

• **A level playing field**: incentive for good actors

• **Globally recognized approach**: for data sharing

• **Better access to remedies**: for workers and consumers

• **Fight to counterfeiting and illegal trade**

E. Challenges

• **Organizational & technological complexities**

• **Data**: privacy and security, reliability and authenticity

• **Investments in advanced technologies**: e.g. blockchain, RFID

F. Recommendation

• **5 cluster areas and 9 recommendations**: norms and standards; Incentives; Innovation and R&D; Awareness and consumers education; Multi-stakeholders collaborative initiatives
UNECE Recommendation No. 46

1. Policy Actions, Norms & Standards
   a) Harmonized policies and regulations for policy coherence
   b) Minimum levels of traceability, for raw materials sourcing, for products, processes and facilities
   c) Companies’ efforts to embrace higher transparency
   d) Reduced implementation burden through use of international standards and use of existing data

2. Incentives
   e) Economic and fiscal
   f) Non financial: sustainable procurement, fast customs clearance, specialized training, IT investment and technology transfer, non-financial reporting requirements, public visibility, peer learning

3. Research & Development, Innovation
   i) Sustainability /circularity production and consumption processes
   ii) Provenance and authenticity tracing solutions for products
   iii) Increased products’ lifespan
   iv) Sustainable material
   v) Recycling, reusing, redesigning

4. Awareness and education
   i) Informed choices
   ii) Awareness of the shared responsibility
   iii) Increase demand for sustainable materials, products, processes

5. Multi-stakeholder collaborative initiatives
   i) Global open-source knowledge platform
   ii) Multi-stakeholder policy dialogues
   iii) Pilot projects for innovative approaches and advanced technologies

United for greater traceability, transparency and circularity in the garment and footwear sector
Blockchain Pilots
Harnessing the potential of blockchain technology for sustainability and due diligence in value chains

**Cotton Pilot**
- Cooperatives/farms/traders: 2
- Manufacturers/suppliers: 21
- Brands/Retailers: 4
- Standard-setting bodies: 2
- Academia-think tanks/Plat: 4
- DNA marker provider: 1
- IOs: 3

**UNECE Pilot Leadership**
- > 60 Pilot partners
- End-to-end VC traceability
- 15 Countries in Africa, Asia, Europe, North and South America

**Leather Pilot**
- Raw Material prov./traders: 4
- Manufacturers/suppliers: 4
- Brands/Retailers: 5
- Certification bodies: 2
- Industry associations: 4
- Ceramic marker provider: 1
- NGOs: 1
- IOs: 1
- R&D and testing centre: 1

**UNECE Traceability & Transparency Blockchain pilot**
- Username: [Username]
- Password: [Password]
- [Show password]

United for greater traceability, transparency and circularity in the garment and footwear sector
The regulatory landscape and the UNECE Policy recommendation

Claudia di Bernardino
UNECE Legal Project Expert
United Nations Economic Commission for Europe (UNECE)
only 35.5% of reporting companies provide general human rights reporting criteria

only 38.2% of companies have specifically described how they manage human rights supply chain risks

only 23.6% of companies have been able to report on specific outcomes in terms of supply chain management

Business scenario

United for greater traceability, transparency and circularity in the garment and footwear sector
Consumers and investors’ behaviours towards sustainability

- 54% consumers wanted to make more sustainable choices
- 40-60% consumers would pay more for products with better environmental performance
- 61% consumers do not understand environmental claims
- 44% consumers do not trust environmental claims

Sustainably invested assets among investors worldwide in 2020 with a forecast for 2025, by region

European Commission 2020

Statista 2021
Policy and Regulatory Scenario in Europe

- Upcoming EU Due Diligence Directive
- National Due Diligence Laws
- Upcoming Amended EU Non Financial Directive

- Sustainable Product Initiative
- Legislative Proposal on Substantiating Green Claim
- New Consumer Agenda

- Textile Strategy
- Digital Product Passport
- European Green Deal
- Circular Economy Action Plan
- Chemical Strategy for Sustainability

- Data Strategy
- Digital Strategy
- Blockchain Strategy

Due diligence

Claims

Circularity

Digitalisation
Policy and regulatory developments

United for greater traceability, transparency and circularity in the garment and footwear sector
Due diligence legislation and initiatives

- California Transparency Act
- UK Bribery Act
- SIN Human Trafficking Act
- EU Directive on Sustainability Reporting
- DE CSR Directive Implementation Act
- FR Corporate Duty of Vigilance Law
- UK Modern Slavery Act
- AU Modern Slavery Bill
- NL Child Labour Due Diligence Law
- PHL guidance on sustainability reporting
- DE Supply chain Due Diligence Act
- NO Human Rights and Decent Work Due Diligence Law
- Legislation Initiatives on Supply Chain Due Diligence in Switzerland, Denmark, Netherlands, Italy
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- California Transparency Act
- UK Bribery Act
United for greater traceability, transparency and circularity in the garment and footwear sector

Table of contents – Policy Recommendation

A. Introduction
• Transparency and traceability: enablers for compliance with policy/regulators/corporate objectives for sustainability & circularity and for solid claims

B. Scope
• Whole Value Chain: from raw material production, through manufacturing, to consumption and post-consumption
• Action areas: for Recommendations

C. Target audience
• Public-sector policy makers
• And: Business and industry associations; Consumers; IGO; Investors; Local authorities; NGOs; Scientific and technological community; Workers and trade unions

D. Purpose & Benefits
• A level playing field: incentive for good actors
• Globally recognized approach: for data sharing
• Better access to remedies: for workers and consumers
• Fight to counterfeiting and illegal trade

E. Challenges
• Organizational & technological complexities
• Data: privacy and security, reliability and authenticity
• Investments in advanced technologies: e.g. blockchain, RFID

F. Recommendation
• 5 cluster areas and 9 recommendations: norms and standards; Incentives; Innovation and R&D; Awareness and consumers education; Multi-stakeholders collaborative initiatives
UNECE Recommendation Nº 46

Policy Actions, Norms & Standards

- Harmonized policies and regulations for policy coherence
- Minimum levels of traceability, from raw materials sourcing, for products, processes and facilities
- Companies’ efforts to embrace higher transparency
- Reduced implementation burden through use of international standards and use of existing data

Incentives

- Economic and fiscal
- Non financial: sustainable procurement, fast customs clearance, specialized training, IT investment and technology transfer, non-financial reporting requirements, public visibility, peer learning

Research & Development, Innovation

- Sustainability / circularity production and consumption processes
- Provenance and authenticity tracing solutions for products
- Increased products’ lifespan
- Sustainable material
- Recycling, reusing, redesigning

Awareness and education

- Informed choices
- Awareness of the shared responsibility
- Increase demand for sustainable materials, products, processes

Multi-stakeholder collaborative initiatives

- Global open-source knowledge platform
- Multi-stakeholder policy dialogues
- Pilot projects for innovative approaches and advanced technologies

United for greater traceability, transparency and circularity in the garment and footwear sector
Policy Actions, Norms & Standards

- EU Textile Strategy
- Product Sustainable Initiative
- EU Directive 2014/95/UE on the disclosure of non-financial and diversity information by certain large undertakings and groups
- EU Legislative Proposal on Corporate Due Diligence
- National Due Diligence Legislation
- EU Chemical Strategy
- EU Waste Framework Directive

Incentives

- EU Green Public Procurement
- Japan: reductions in corporate tax based on the use/adoption of cleaner and climate-friendly technologies
- India: Production Linked Incentives Schemes (PLI) for textile
- Italy: Directorial decree August 3, 2021 - Support in favor of the textile, fashion and accessories industry

Research & Development, Innovation

- EU Blockchain Strategy
- EU Data Strategy

Awareness and education

- EU Green Claims Initiative
- EU New Consumer Agenda

Multi-stakeholder collaborative initiatives

- Amfori (formerly Business Social Compliance Initiative or BSCI)
- Dutch Agreement on Sustainable Garments and Textiles (AGT)
- Fair Labor Association (FLA)
- Fair Wear Foundation (FWF)
- German Partnership for Sustainable Textiles (PST)
- Sustainable Apparel Coalition (SAC)
- UK Ethical Trading Initiative (ETI)

UNECE Recommendation № 46

United for greater traceability, transparency and circularity in the garment and footwear sector
REGIONAL WORKSHOP UNECE- FAO

Principles and Components of a traceability system

Virginia Cram-Martos
UNECE Project Expert and CEO, Triangularity S.L.
The 9 Traceability Principles

- **Awareness** - Of the benefits
- **Knowledge** - About: why (purpose), what (traceable asset & information), who, where and when
- **Risk-based analysis** - To maximise impact and make the best use of limited resources
- **Commitment** - Embedded into policy, legal frameworks and corporate strategies
- **Engagement** - Supports and builds cooperation and a consensus approach
- **Structured implementation** - Required for accuracy and accountability
- **Norms and standards** - Decreases future costs and increases interoperability
- **Appropriate technology** - Matching the capabilities of participants
- **Inclusiveness** - For acceptance, support and effectiveness
<table>
<thead>
<tr>
<th>Component</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Claim</td>
<td>Statement supported by data</td>
</tr>
<tr>
<td>Traceable Asset</td>
<td>Product batch, trade unit, product</td>
</tr>
<tr>
<td>Logistic Unit</td>
<td>Contains traceable assets for transport or storage</td>
</tr>
<tr>
<td>Identifier (ID)</td>
<td>Is unique to an entity and links it to information</td>
</tr>
<tr>
<td>Traceability Models</td>
<td>Organize the flow of traceable assets in a value chain</td>
</tr>
<tr>
<td>Events</td>
<td>Activities where data needs to be collected</td>
</tr>
<tr>
<td>Entry &amp; Exit Points</td>
<td>The events where traceability starts &amp; ends</td>
</tr>
<tr>
<td>Verification Criteria</td>
<td>Define scope &amp; parameters of verification</td>
</tr>
<tr>
<td>Verification Process</td>
<td>Confirmation of a claim via evidence</td>
</tr>
</tbody>
</table>
High-level statement about a characteristic of:

- a product (asset)
- a process
- an organization associated with that asset

To show that the characteristic is true, it is necessary to trace the asset as it moves through the value chain.

The claim is the beginning point because it determines what information has to be collected and where.
In textile and leather value chains, assets need to be traced across major transformation stages.

At each transformation stage, traceable assets that are inputs and those that are outputs need to be clearly defined and identified.

Linkage is accomplished by recording the IDs of inputs and associating them with the IDs of outputs.
Identifiers (IDs)

IDs form the “chain” that links material flows across a supply chain in order to create traceability.

Tracing back IDs to the Raw Cotton:
- H-F-E-C-B1-A1 or H-F-E-C-B2-A2
- H-F-E-D-L3-K3 or H-F-E-D-N4-M4

United for greater traceability, transparency and circularity in the garment and footwear sector.
• Traceability is created around events and their 5 questions (5Ws)
• Events are those activities where data are collected
• Traceability systems usually collect, for each event, data for the 5Ws
So How Do Events and IDs Create Transparency?

The IDs for the 5Ws can have additional information saved, and requested, about them.

For example:

- An organic cotton certificate linked to a cotton batch ID
- A factory audit or inspection report linked to a facility ID
- The chemical treatment of an agricultural area linked to a location ID
Sustainability information that can be linked to EventIDs

**For**

- Process
- Product
- Facility

**Environment**
- Input (Chemical/Pesticides)
- Water
- Energy
- CO2
- Soil
- Air
- Thermic
- Noise
- Biodiversity
- Deforestation
- Habitat
- Waste/End-of-life
- Animal Welfare

**Social**
- Child labour
- Forced Labour
- Land Use
- Work & Social protection
- Trade Unions & Collective bargaining
- Sexual harassment
- Gender inequality
- Discrimination
- Homeworkers

**Health**
- Permits
- Contracts
- Compliance to legislation/regulations

- Management/Administration
- Quality
- Inspections/Certificates

*From raw material production...*  
*...through manufacturing and branding...*  
*...to consumption and post-consumption.*
Where to start?

Identification of events

Identification of existing IDs and data as well as gaps in data

Identification of existing sustainability data and where it is most needed

EVENTS

IDs

Linked data about
- Certifications
- Processes
- Sustainability
- Facilities
- Inspections

A Business Process Analysis ("BPA")
A. Introduction

• **Purpose**: Practical guidance on the development of traceability systems to support claims and regulatory compliance for sustainable and circular garment and footwear value chains.

• **Target audience**: High-level government and private sector managers with implementation responsibility.

B. Traceability principles

• **9 Principles**: Awareness, Knowledge, Risk-based Analysis, Commitment, Engagement, Structured implementation, Norms & Standards, Appropriate technology, Inclusiveness.

C. Key traceability systems concepts

• **Claims**
• **Traceable Assets**
• **Logistics Units**
• **Unique Identifiers (IDs)**
• **Entry & Exit Points**
• **Traceability models**
• **Verification criteria**
• **Verification processes**

D. Cost allocation & incentive systems

• **Costs related to traceability and transparency**: e.g., costs for development of the system; data collection and exchange, certification, inspections, audits, etc.

• **Type of incentives**: financial and non-financial, public vs private.

• **Criteria of cost structure for value-chain partners**

E. Supporting role of advanced technologies

• **Opportunities and challenges**

• **Type of supporting technologies**: e.g., AI, IOT, Blockchain, Internet Cloud Services, Advanced product labelling (QR, RFID, DNA markers, NFC labels).

• **Criteria for their selection and impact**

F. Creating inclusiveness in traceability systems

• **The digital divide**
• **Gender considerations**
• **Small- and medium-sized enterprises**
• **Integrating Developing Countries**

Annex—Action Plan: A step-by-step approach to frame and implement a traceability system

*ECE/TRADE/C/CEFACT/2021/10*
The Business Process Analysis for Leather

Virginia Cram-Martos
UNECE Project Expert and CEO, Triangularity S.L.
What is Business Process Analysis (BPA)?

It is a top-down analysis of a value chain in 5 steps

01 Identification of the Value-Chain
02 Definition of the Processes
03 Identification & mapping of activities / events inside each process
04 Documentation of Information exchanges
05 Identification of Individual data
Identify processes for use cases

Use Case Diagrams to identify processes

Identification of Risks and Mitigation

Activity Diagrams for each process

Business Process Descriptions of each Activity Diagram

Overlay of existing data with generic data requirements

1. Farming of Livestock
2. Slaughter
3. Preservation
4. Tanning (raw to tanned)
5. Splitting, shaving and sorting
6. Retanning, fattiquering and crusting

7. Dyeing, setting out and sampling
8. Drying, conditioning, softening and finishing
9. Product assembly
10. Fulfilment & retail
11. Post consumption

United for greater traceability, transparency and circularity in the garment and footwear sector
United for greater traceability, transparency and circularity in the garment and footwear sector

Step 1: Identify actors related to processes

Example: Use case diagram for the leather value chain

- Centre ovals to represent the processes
- Connecting lines to show actors responsibility in the value chain
- Stick people to represent the actors
The flow of data

**Companies**
- Danish Crown
- Danish Crown
- Danish Crown
- Scan-Hide
- RICHARD HOFFMANS
- RICHARD HOFFMANS
- RICHARD HOFFMANS
- Mulberry
- Mulberry
- Mulberry

**Business role**
- Farmer
- Slaughterer
- Manufacturer
- Tanner
- """
- (Re)tanner
- (Re)tanner
- (Re)tanner
- Manufacturer
- Manufacturer
- Manufacturer
- Retailer
- Post-Consumption

**Processes**
- Farming
- Slaughtering
- Preservation
- Tanning
- Splitting
- Shaving
- Sorting
- (Re)tanning
- Retanning
- Fatliquoring
- Crusting
- Dyeing
- Setting out
- Sammying
- Drying
- Conditioning
- Softening
- Finishing
- Product Assembly
- Fulfilment
- Retail
- Post-Consumption

**Traceability evidences**
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice
- Shipping Note / Invoice

**Transparency evidences**
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
- Certificate Assessment report
Step 2: Identify risks and mitigation

- Principle references for the risk definitions as outlined in the UNECE Policy Recommendations came from the:
  - Organisation for Economic Cooperation and Development (OECD)
  - International Trade Centre (ITC)
  - United Nations Environment Programme (UNEP)
  - Research from the United Nations Economic Commission for Europe (UNECE).

Textile and leather value chains are long and complex with many sustainability hotspots – life cycle stages of a product or service that contributes significant environmental, social and / or economic impact. **Understanding where the hotspots are is critical to identifying corrective actions.**

- Use Case Diagrams to identify processes
- Identification of Risks and Mitigation
- Activity Diagrams for each process
- Business Process Descriptions of each Activity Diagram
- Overlay of existing data with generic data requirements

Textile and leather value chains are long and complex with many sustainability hotspots – life cycle stages of a product or service that contributes significant environmental, social and / or economic impact. **Understanding where the hotspots are is critical to identifying corrective actions.**
### Step 2: Sustainability risks in leather value chains

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>Deforestation</strong></td>
<td><img src="#" alt="Blue box" /></td>
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<tr>
<td><strong>Biodiversity</strong></td>
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<td><strong>Animal Welfare</strong></td>
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<td><strong>Air Pollution</strong></td>
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<tr>
<td><strong>Water Pollution</strong></td>
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<tr>
<td><strong>Hazardous Chemistry / Salt</strong></td>
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<tr>
<td><strong>Solid Waste</strong></td>
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<tr>
<td><strong>Energy Consumption</strong></td>
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<tr>
<td><strong>Greenhouse Gas Emissions</strong></td>
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<tr>
<td><strong>Health &amp; Safety / PPE</strong></td>
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<tr>
<td><strong>Human Rights</strong></td>
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<tr>
<td><strong>Labour Risks</strong></td>
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<td><img src="#" alt="Blue box" /></td>
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<td><img src="#" alt="Blue box" /></td>
<td><img src="#" alt="Blue box" /></td>
</tr>
<tr>
<td><strong>Water Use</strong></td>
<td><img src="#" alt="Blue box" /></td>
<td><img src="#" alt="Blue box" /></td>
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<td><img src="#" alt="Blue box" /></td>
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</tr>
</tbody>
</table>

Blue box potentially applies to all stages, subject to geography, production process and abatement options applied.
Steps 3 and 4: Detailed Business Process Descriptions

- The Use Case Diagrams that were created in Part 1 formed the basis for the Business Process Descriptions (BPDs), where a detailed analysis of the individual processes was made in terms of:
  - Associating the risks to the processes
  - Identifying what data is already being exchanged as part of each process.
- This is a 2 part process – creating Activity Diagrams and then Business Process Descriptions of the Activities.
- This “layering” of the different BPA components is what enables the recommended standard to be created.

Use Case Diagrams to identify processes
Identification of Risks and Mitigation
Activity Diagrams for each process
Business Process Descriptions of each Activity Diagram
Overlay of existing data with generic data requirements

United for greater traceability, transparency and circularity in the garment and footwear sector
Step 3: Detailed Business Process Descriptions – Activity Diagrams

Step 1: Creation of Activity Diagrams for each of the Use Case Diagram Processes

1a Farming of Livestock - Whole Life Farm

Key: ● Start □ Parallel Process State and Action ▼ Action Flow Indicator
□ Parallel Process State and Action Indicator □ Information Flow Indicator □ Decision or Branch Option Indicator □ End of Process Flow
● End of Activity
### Step 4: Detailed Business Process Descriptions

<table>
<thead>
<tr>
<th>Name of process</th>
<th>Business process short description</th>
</tr>
</thead>
</table>
| 1a Farming of livestock – whole life farm: birthing and raising of livestock to end of life | Leather is manufactured from the hide or skin of an animal. There are various farming models:  
   - a. Farms that raise animals from birth to end of life  
   - b. Private or family small holdings  
   - c. Industrial systems that start with birthing farms, before moving livestock to rearing/raising farms and then moving the livestock to finishing yards (sometimes known as feedlots).  
   - d. Exotics systems that combine egg breeders/collectors, hatching farms and finishing farms  
Process 1a covers processes for models a. and b. above. Process 1b covers models c. and d. |

<table>
<thead>
<tr>
<th>Process participants</th>
<th>Business process short description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers, Breeders, Other Suppliers - Farm suppliers, Transporter Product Guardians, Slaughterhouses (Abattoirs), Inspectors / Certifiers</td>
<td>Planning of livestock herd (this could involve liaison with brands or could be part of the meat &amp; dairy industry)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parallel Processes</th>
<th>Business process short description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.4 Inspection: Inspection / Certification of chemical &amp; legislative compliance &amp; processes can take place at the farm at different parts of the process.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description of Activities</th>
<th>Business process short description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A step-by-step description of what happens in the process. If parallel or overlapping steps must be finished before the next step, the first two digits of the number should be the same with a third digit added.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Required DOCUMENTS</th>
<th>Required OTHER INFORMATION / communication method</th>
<th>TRACEABILITY Actions &amp; Data required</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a.1 Planning: Planning of animal herd size (could involve meat &amp; dairy or brand)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
| 1a.2.1 Feed Order: Place order with suppliers | Purchase Order to 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 | 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. |
### Step 4: Detailed Business Process Descriptions

#### Output & criteria to exit the business process
Slaughterhouse is in receipt of fully grown cattle ready for end-of-life process before the hide / skin is separated from the meat & carcass, ready for leather manufacturer (see BPD 2).

#### “Common” exceptions/problems
- Identification not always transparent.
- A rearing / raising farm may be receiving quantities of young cattle from a number of different birthing farms.
- A finishing farm may be receiving quantities of part-raised cattle from a number of different rearing / raising farms.
- Different systems of identification may be adopted by different farms.
- Transportation legislation may differ across countries or states which could impact animal health & welfare.

#### Circular Economy related observations
- Waste from the food industry can be used as animal feed.
- Manure from animals can provide fertiliser (both on and off farms).
- Rotation of crops and livestock farming help to preserve biodiversity and health of soil.

#### Other Observations, in particular related to traceability needs for different activities
Farm Models: There are many different farming models globally, ranging from industrial systems as outlined in this BPD, to more simple whole life farms as illustrated in BPD 1a. Additionally there are global variances that must be recognised & in some instances protected within a transparent system, in order to preserve social economies & cultures.

#### Related laws, rules, regulations
Different regulations & laws are applicable in different countries & regions.

<table>
<thead>
<tr>
<th>Sustainability Risks, Criteria and Verification if the list is too long this section can be moved to an annex.</th>
<th>Sustainability risks (hot spots) within this process</th>
<th>Sustainability criteria and standards to address the risk</th>
<th>Verification methods for criteria and standards</th>
</tr>
</thead>
</table>

---

**United for greater traceability, transparency and circularity in the garment and footwear sector**
The final stage of the BPA is to then overlay the generic traceability and transparency requirements (as explained by Virginia in the first part of this session) over the now identified existing business processes as outlined in the BPDs.
Traceability Process Overlays

- Layering of generic traceability requirements and exchanges onto the related Activity Diagrams
- Identification of the gaps
- Recommendation for the solution

These nodes represent the corresponding generic traceability activity.
Conclusion about LVC Business Process Analysis

- The potential for good data availability is present throughout the leather and textile value chains. Where gaps in data availability exist, they are generally in the upstream tiers from the farm or fibre sources through to the first transformation facilities (tannery, ginning mill or spinner). In the downstream tiers, i.e. when moving the finished leather or fabric to the product manufacturer and beyond, the gaps are generally related to the recording of data.

- That is not to say that data is not available, but that there is no current mechanism for the consistent transfer and sharing of that traceability and transparency data.

- BPAs can help identify where risks exist and where the data to fill existing information gaps might be collected.
REGIONAL WORKSHOP UNECE- FAO

The Sustainability Pledge: call to action

Francesca Romana Rinaldi
UNECE Project Expert
Make your pledge to support Traceability and Transparency as key enablers for Sustainability and Circularity.

THE SUSTAINABILITY PLEDGE
TRACK IT, TRACE IT, WEAR IT!
What is the Call to Action

THE SUSTAINABILITY PLEDGE

JOIN THE UNECE CALL TO ACTION
TO ENHANCE TRACEABILITY AND TRANSPARENCY
IN GARMENT AND FOOTWEAR VALUE CHAINS

MAKE YOUR PLEDGE →

In order to MAKE YOUR PLEDGE please complete the form available on: http://thesustainabilitypledge.org/
What is the Call to Action

In order to MAKE YOUR PLEDGE please complete the form available on: http://thesustainabilitypledge.org/
Title of the action *

Upload an image *

Description of action *

Type of action *

Country (Insert country of origin of your company / organization or its headquarters' location) *

Submitting Organization/Company *

If Organization or Company, please indicate the approximate number of employees

Other Partners

Type of Initiative *

Please select the specific area(s) of the action *

Scope of the action, including a description of the value chain processes that are covered *

In order to MAKE YOUR PLEDGE please complete the form available on: [http://thesustainabilitypledge.org/](http://thesustainabilitypledge.org/)
Key Performance Indicators (KPIs)

- **Vivienne Westwood**
  - N. of traced supply chain phases / Total n. of supply chain phases defined by UNECE
  - N. of product Phases finalized on Blockchain platform / Total Phases in scope

- **Clean Clothes Campaign**
  - % of brands included that disclose supply chain
  - % of brands that commit to concrete policies on a living wage
  - % of brands that can show workers in their supply chain receive a living wage

- **SDA Bocconi**
  - N. of Companies belonging to the Monitor for Circular Fashion
  - N. of Companies implementing the suggested KPIs
  - Representativeness of Companies involved (key players of different activities of the textile and garment value chains; medium and large companies)
United for greater traceability, transparency and circularity in the garment and footwear sector

Pledges, Actors & Partners

57 Pledges
200 Partners
49 Pledging Actors

Actors Breakdown:
- Suppliers/Producers/Retailers: 13
- Service & Support: 13
- Academia, Civil Society Organizations, Platforms: 21
- International Governmental, Governmental Organizations: 1
- N/A/Other: 1
- Total: 49
The Sustainability Pledge Report

United for greater traceability, transparency and circularity in the garment and footwear sector.
United for greater traceability, transparency and circularity in the garment and footwear sector

At the United Nations, we have worked with hundreds of experts, policymakers, businesses, academics and NGOs to come up with a workable and verifiable way of ensuring sustainability in the garment and footwear sector.

www.thesustainabilitypledge.org
The Sustainability Pledge

@UNECE
@un_ece
@UNECEpage

United for greater traceability, transparency and circularity in the garment and footwear sector.
MAKE YOUR PLEDGE

We aim at 100 pledges by June 2022
WORKSHOP REGIONAL UNECE- FAO

The UNECE Initiative and Toolbox for Transparency and Traceability - Scaling-up: The Sustainability Pledge And Toolbox

Rosie Wollacott Phillips
Sustainability Manager
Mulberry
(online)
Mulberry

Made to Last Strategy

- Mulberry’s sustainability strategy – Made to Last – launched April 2021
- 4 pillars; Responsible Sourcing, Low-Impact Manufacturing, Product Circularity, Inclusive Communities
- Sustainable Leather and Transparent Origins are key sections in Responsible Sourcing
- Essential for us to improve our visibility within our leather supply chain

United for greater traceability, transparency and circularity in the garment and footwear sector
Mulberry

Mulberry & UNECE Leather Pilot

• Mulberry joined the pilot in March 2021
• Our tannery partner, Hoffmans, also joined
• Working with Hoffmans for over 10 years
• Opportunity to delve deeper into our supply chain
• Aligns with our Made to Last Strategy commitments
Mulberry

Mulberry’s Made to Last Manifesto

Launched in April 2021, during our 50th anniversary year

Committed to 6 key actions for change, including 2 which directly link in with the pilot

• Regenerative Agriculture & Sourcing Transparency
  • Pioneer a hyper-local, hyper-transparent ‘farm to finished product’ supply chain model

• Low Carbon Leather
  • Develop the world’s lowest carbon leather sourced from a network of environmentally conscious farms
Traceability & Transparency for Leather

As a responsible brand we have a duty to our consumers to source our raw materials sustainably

- Farming styles
- Animal welfare
- Chemistry
- Carbon footprint

With the visibility created through the pilot, we are able to collect real information to assist in storytelling, and use data to calculate a more accurate carbon footprint

Our goal: Net Zero 2035
Brand Storytelling

Consumers don’t necessarily want to know...

• Exactly where the cow was raised and slaughtered
• The type of farm it was raised on
• The chemicals used in tanning
• The miles material has travelled from tannery to factory

They want to know that WE know
The UNECE Initiative and Toolbox for Transparency and Traceability - Scaling-up: The Sustainability Pledge And Toolbox

Rossella Ravagli
Directora de Sostenibilidad
Giorgio Armani
The UNECE Initiative and Toolbox for Transparency and Traceability - Scaling-up: The Sustainability Pledge And Toolbox

Ricardo Bosshard
Director
WWF Chile
MODULE 2: REGIONAL CONTEXT
Understand the state of the region from a traceability and transparency perspective in rural areas and textile and fashion industry

7 April, 12.00 - 12.45

Moderator
• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Adriana Gregolin, Regional Coordinator + Cotton Project

Discussants
• FAO Colombia, Marcos Rodriguez, Senior Specialist in Rural Development, Food Systems and Inclusive Markets (online)
• INEXMODA Colombia, Lorenzo Velasquez, Director of Knowledge and Transformation
• National Society of Industry (SNI) Perú, Martín Reaño, Textile Committee Manager
• Peruvian Textile Exporters Association (PREVEX), Rizal Bragagnini, Executive Director
UNITED FOR GREATER TRACEABILITY, TRANSPARENCY AND CIRCULARITY IN THE GARMENT AND FOOTWEAR SECTOR

MODULE 2: REGIONAL CONTEXT

Moderator

Adriana Gregolin
Regional Coordinator +Cotton Project, FAO RLC

Discussants

Marcos Rodríguez
Senior Specialist in Rural Development, Food Systems and Inclusive Markets, FAO COLOMBIA (online)

Lorenzo Velasquez
Director of Knowledge and Transformation, INEXMODA Colombia

Martín Reaño
Textile Committee Manager, SNI Peru

Rizal Bragagnini
Executive Director, PREVEX

UNITED FOR GREATER TRACEABILITY, TRANSPARENCY AND CIRCULARITY IN THE GARMENT AND FOOTWEAR SECTOR
Module 2: Regional Context

Adriana Gregolin
Regional Coordinator +Cotton Project
FAO RLC
REGIONAL WORKSHOP UNECE- FAO

Module 2: Regional Context

Marcos Rodriguez
Senior Specialist in Rural Development, Food Systems and Inclusive Markets
FAO Colombia
Compromisos Para La Transformación De Los Sistemas Alimentarios

• Carteras de productos saludables y sostenibles
• Seguridad alimentaria
• Marketing, publicidad, etiquetado

• Gobierno y gestión
• Participación en la elaboración de políticas: apoyar los esfuerzos de los gobiernos para lograr los ODS.
• Conectar acciones con las necesidades territoriales donde ejercen influencia

• Productos agroquímicos y agricultura sostenible
• Cambio climático y calidad del aire
• Biodiversidad
• Manejo racional de Agua
• Reducción y reutilización de Residuos
• Bienestar de los animales
• Salarios e ingresos dignos
• Trabajo infantil
• Trabajo forzado
• Libertad de asociación y negociación colectiva
• Salud y seguridad en el trabajo
• No discriminación e igualdad

Hacia 2 Enfoque estratégicos

• De la RSE a la Generación de Valor Compartido

• Identidad como factor diferencial de la trazabilidad
Renacer
Un programa que promueve y apoya el espíritu emprendedor de nuestros jóvenes caficultores

OBJETIVO:
Visibilizar y fortalecer el liderazgo de jóvenes caficultores en diferentes regiones en Colombia, afectadas por la violencia y la exclusión.
- **Campo:** escenario innovador, competitivo e incluyente
- **Proyectos de vida en la ruralidad**

ESTRATEGIA
- Compra de café con sobreprecio
- Apoyo en formación técnica y personal
- Visibilización del trabajo de los jóvenes y empalme generacional
Conectar a los compradores con los procesos y personas que hay detrás de cada producto

Cualidades sociales y humanas

Características únicas de la región

TRACE.COFFEE

HISTORIAS DIGITALES

TRAZABILIDAD E HISTORIA DE PRODUCTO

HERRAMIENTAS Y EQUIPOS MANUALES

ROBÓTICA PARA NIÑOS

RESPONSABLE Y SOSTENIBLE

TECNOLÓGÍA BLOCKCHAIN

MÉTODO DE ENTRENAMIENTO INNOVAKIT

CONectar a los compradores con los procesos y personas que hay detrás de cada producto

CARACTERÍSTICAS ÚNICAS DE LA REGIÓN

CUALIDADES SOCIALES Y HUMANAS

HISTORIAS DIGITALES

TRAZABILIDAD E HISTORIA DE PRODUCTO

TECNOLÓGÍA BLOCKCHAIN

MÉTODO DE ENTRENAMIENTO INNOVAKIT

HERRAMIENTAS Y EQUIPOS MANUALES

ROBÓTICA PARA NIÑOS

RESPONSABLE Y SOSTENIBLE

 TRACE.COFFEE

PROCESOS DE TRAZABILIDAD en DOBLE VIA (RETRIBUCION AL PRODUCTOR)

- Seguimiento de los productos
- Blockchain
- Información transparente
- Recolección de datos en tiempo real

Aporte directo a los productores

United for greater traceability, transparency and circularity in the garment and footwear sector
Principales retos

- Programa de alfabetización digital y Cultura del Registro en AF

- Sector privado:
  - Proponerse metas explícitas sobre la contribución a los SDG
  - Promover la gestión del conocimiento en territorios rurales

- Trazabilidad en diferentes dimensiones: económicas, ambientales, sociales y culturales (identidad)
GRACIAS POR SU ATENCION
REGIONAL WORKSHOP UNECE-FAO

Module 2: Regional Context

Lorenzo Velasquez
Director of Knowledge and Transformation
INEXMODA Colombia
Principios de la Estrategia de Transparencia

1. **Propósito superior integrado:** visión y retos compartidos

2. **Generación de valor compartido:** compartir los éxitos y los fracasos

3. **Sistemas de incentivos constructivos:** pasar de la cultura de la coerción a la co-creación y ayuda mutua

4. **Cultura de la co-creación:** ayuda mutua, no somos enemigos, evitar la cultura de la coerción a través de acuerdos flexibles.
Diferenciación de la propuesta de valor

Estrategia de Transparencia

Sostenibilidad

Sistemas de Trazabilidad

Tecnología

Productividad

Rentabilidad
Modelo de Economía Circular – Moda Sostenible

**EXTRACCIÓN**
- Fibra de fique
- Látex de caucho natural

**TRANSFORMACIÓN**
- Proceso textil no Tejido

**PRODUCCIÓN**
- Telas y producto terminado

**RESTAURACIÓN**
- Compostaje

**RENOVACIÓN**
- Innovación en no tejidos sostenibles

Página 15x-1 a 411x63
Página 348x129 a 783x463
Página 301x383 a 406x429
Página 373x163 a 478x196
Página 169x282 a 286x412
Página 232x162 a 363x262
Página 817x93 a 877x145

United for greater traceability, transparency and circularity in the garment and footwear sector
Materiales 100%: Sostenibles. Renovables. Compostables.

Compra de fibra de fique y látex de caucho en centros de acopio a precios justos.

0% Plástico.

Zapato elaborado con cuero vegano Fiquetex

Bolso ecológico de fibras de fique y látex de caucho

Ingeniería para cumplir los Objetivos para el Desarrollo Sostenible. Naciones Unidas

ODS12: Producción y Consumo Responsable y ODS13 Acción Climática.

Enrique Alejandro Moreno Muñetones (LIF 3 Colombia).

Certificación PETA de Fiquetex

United for greater traceability, transparency and circularity in the garment and footwear sector.
Visualización de datos para crear valor compartido, transparencia y trazabilidad

United for greater traceability, transparency and circularity in the garment and footwear sector
United for greater traceability, transparency and circularity in the garment and footwear sector

Análisis HVI Algodón Nacional por Desmotadora

Tabla de Indicadores del Cultivo de Algodón en Colombia

Indicadores del Cultivo de Algodón en Colombia
United for greater traceability, transparency and circularity in the garment and footwear sector.
Module 2: Regional Context

Martín Reaño
Textile Committee Manager
National Society of Industry (SNI) Perú
NUESTRO PROPÓSITO

Reivindicar nuestro legado milenario en textiles y confecciones, dando trabajo formal a más peruanos, y sorprender al mundo con nuestra calidad y sostenibilidad.
Tendencias hacia la sostenibilidad... El PROBLEMA

20% residuos @ agua

10% emisiones de CO2

170 MM niños trabajan en fábricas textiles

2,700 Lt de agua para 1 T-shirt = 3 años de consumo de agua para una persona

Salarios 5 veces debajo del costo de vida

22 prendas (compradas por mujeres) nunca se usan
La industria de las prendas de vestir tiene múltiples puntos de preocupación a nivel de sostenibilidad

<p>| | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Alto consumo de agua</td>
<td>2</td>
<td>Descarga de sustancias químicas peligrosas</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>La industria textil representa un 10% de todo el uso de agua industrial a nivel mundial, la principal fuente de consumo de agua en la producción se produce en la etapa de cultivo de materias primas</td>
<td></td>
<td>Los productos químicos del proceso de teñido contribuyen a la contaminación de las de agua</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Generación de residuos</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Violación de los derechos humanos/trabajadores</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

McKinsey & Company
Necesidades de conexión con los consumidores: Calidad con Sostenibilidad

- **Ocasiones de compra:** Nueva temporada, nuevo trabajo, cambio de peso, ocasiones especiales (e.g. matrimonios), deporte o pasatiempos (e.g. turismo de aventura)
- **Detonantes de compra:** diseño / fit (comodidad) → Precio → Sostenibilidad
- **Calidad = Buen Producto** → Tocar & sentir (tela) → *No asocian calidad a fibras o país*
- **Calidad:** Diseño (todo entra por los ojos), Fit (tallas), Muchas lavadas (sin perder color / forma)
- **Sostenibilidad = Personas + Planeta** → **Personas:** cuidar a la gente (trabajadores)...
(con TRAZABILIDAD completa) → **Planeta:** *Alargar la vida de la prenda...*
* Cuidar el agua, aire y terreno
- **Credibilidad** = Transparencia + Trazabilidad → *Es mejor ser honesto que ser perfecto*
*Si cuidamos al Planeta y no a las Personas = Greenwashers!*
- **Calidad** = resistir más lavadas + **Sostenibilidad** = más usos / vida más larga
- Ningún@ sabía que somos la 2ª industria más contaminante... *le creen a los #s!*
La importancia de las MyPimes en la cadena de valor:

**Número de empresas** en el sector Textil y de Cuero en el Perú

**Reto: Integrar** a la pequeña y micro empresa (99,5% del total) a la cadena productiva

<table>
<thead>
<tr>
<th>Tamaño de Empresa</th>
<th>Número de empresas</th>
<th>Distribución</th>
</tr>
</thead>
<tbody>
<tr>
<td>Micro empresa</td>
<td>55,302</td>
<td>95.8%</td>
</tr>
<tr>
<td>Pequeña empresa</td>
<td>2,143</td>
<td>3.7%</td>
</tr>
<tr>
<td>Mediana y gran empresa</td>
<td>297</td>
<td>0.5%</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>57,742</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Fuente: INEI (Censo Industrial)
La importancia de las MyPimes en la cadena de valor:

La única forma de lograr TRAZABILIDAD en nuestra CALIDAD con SOSTENIBILIDAD es a través de la colaboración integrada de:
La GRAN empresa
Mediana empresa
Pequeña empresa
Micro-empresa
EL CAMPO...
La solución = **InnovaBILIDAD**: Innovar con Responsabilidad

Encuentra el verdadero valor en...

1. **Lo que COMPRAS**: ...para nuestros **CLIENTES (B2B)**
   (Calidad, Sostenibilidad, Servicio)

2. **Lo que USAS**: ... para los **CONSUMIDORES (B2C)**
   *Mientras más lo uses... menos impacto harás*
Este es nuestro legado ancestral...

Legado y moda en una misma prenda bordada y teñida a mano

...que hoy está de moda en el mundo

Encuentra el verdadero valor en:

Tejido Abasca: técnica con más de mil años de antigüedad que se usa actualmente

www.perutextiles.pe

United for greater traceability, transparency and circularity in the garment and footwear sector
Mientras más uses Hecho en PERÚ...

Encuentra el verdadero valor en:

... menos impacto harás

www.perutextiles.pe

United for greater traceability, transparency and circularity in the garment and footwear sector
Mientras más lo uses... menos impacto harás

Machupicchu, ciudadela sagrada. Declarada una de las 7 maravillas del mundo

Polo estampado de algodón orgánico

www.perutextiles.pe

United for greater traceability, transparency and circularity in the garment and footwear sector
No sólo se trata de las prendas... ...se trata de las personas que hacen las prendas:
La perseverancia y la superación son valores...

Pedro es un luchador. Comenzó barriendo la fábrica y hoy es jefe de planta. Pedro es un ejemplo para todos...

...que nuestra industria promueve

PERÚ TEXTILES
Encuentra el verdadero valor en:

www.perutextiles.pe

United for greater traceability, transparency and circularity in the garment and footwear sector
United for greater traceability, transparency and circularity in the garment and footwear sector.
United for greater traceability, transparency and circularity in the garment and footwear sector.

Follow our work at

https://github.com/uncefact/traceability
REGIONAL WORKSHOP UNECE- FAO

MODULE 3: MAKING TRACEABILITY AND TRANSPARENCY WORK: SUSTAINABLE, CIRCULAR AND INCLUSIVE VALUE CHAINS FOR A COMPETITIVE AGRICULTURE AND TEXTILE INDUSTRY

7 April, 12.45-13.30

Presenters
• UNECE Project Expert, Francesca Romana Rinaldi
• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Camilo Quintero, Market Specialist

Discussants
• COSTACH Peru, Roberto Tume, Executive Management Assistant
• Brazilian Cotton Growers Association (ABRAPA) Brasil, Fernando Rati, Agricultural and Sustainability Manager
• Grupo CRYSTAL Colombia, Pamela Callejas, Market and Trend Research Management
• Brazilian Textile and Apparel Industry Association (ABIT) Brasil, Fernando Pimentel, President of the Board of Directors (online)
MODULE 3: MAKING TRACEABILITY AND TRANSPARENCY WORK: SUSTAINABLE, CIRCULAR AND INCLUSIVE VALUE CHAINS FOR A COMPETITIVE AGRICULTURE AND TEXTILE INDUSTRY

Presenters

Francesca Romana Rinaldi
UNECE Project Expert

Camilo Quintero
Market Specialist, FAO RLC

Discussants

Roberto Tume
Executive Management Assistant, COSTACH

Fernando Rati
Agricultural and Sustainability Manager, ABRAPA Brasil

Pamela Callejas
Market and Trend Research Management, Grupo CRYSTAL Colombia

Fernando Pimentel
President of the Board of Directors, ABIT Brasil

United for greater traceability, transparency and circularity in the garment and footwear sector
Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Francesca Romana Rinaldi
UNECE Project Expert
Why we need more inclusiveness? (I)

• More than half of the global labor force and more than 90 percent of micro and small enterprises (i.e. MSEs) worldwide are part of the informal economy (Source: ILO).

• Undeclared informal work is a challenge particularly in a sector such as the garment and footwear sector where production is fragmented across different countries.
Why we need more inclusiveness? (II)

- Women account for a majority of the labor workforce in the garment and footwear supply chain (Source: ILO). However, many garment and footwear producing countries perform poorly on gender equality and women economic empowerment (Source: EC, 2016).

- Risks of harm often differ for men and women.

- Gender issues in the garment and footwear sector also include the “glass ceiling” for woman’s career dynamics.
Why we need more inclusiveness? (III)

In Colombia Las PYMES (Pequeñas y Medianas Empresas) hacen un aporte del 80% a la generación de empleo del país, según datos del Ministerio de Comercio, Industria y Turismo
Source: Dinero, 2019

In Perú MIPYMES (Micro, Pequeñas y Medianas Empresas) enterprises represent 99.4% of the total.
Source: Sociedad Nacional de Industrias https://sni.org.pe

SMEs play an important role for growth and social inclusión in Brasil, representing 62% of total workforce and 50% of GDP
Source: OECD Studies on SMEs and Entrepreneurship, 2020

SMEs in Bolivia represent 83% of workforce and 26% of GDP
Fuente: Comisión Económica para América Latina y el Caribe (CEPAL), 2011

In Paraguay las MIPYMES representan el 97% de las unidades económicas y emplean al 61% del personal ocupado (2017).
Source: https://www.mic.gov.py
**Sustainable garment and footwear SMEs – needs analysis**

<table>
<thead>
<tr>
<th>Area</th>
<th>SMEs needs in sustainability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic</td>
<td>Access to funding</td>
</tr>
<tr>
<td></td>
<td>Competition and scaling-up</td>
</tr>
<tr>
<td>Policy and Regulatory</td>
<td>Traceability and transparency to justify sustainability claims</td>
</tr>
<tr>
<td></td>
<td>against greenwashing</td>
</tr>
<tr>
<td></td>
<td>Lack of network</td>
</tr>
<tr>
<td>Supply chain and Business Operations</td>
<td>Direct access to market</td>
</tr>
<tr>
<td></td>
<td>Access to &quot;waste&quot;</td>
</tr>
<tr>
<td></td>
<td>Access to circularity infrastructure</td>
</tr>
<tr>
<td></td>
<td>Reducing complexity</td>
</tr>
<tr>
<td>Cultural</td>
<td>Increasing awareness of all stakeholder</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>Access to innovative solutions and technologies</td>
</tr>
</tbody>
</table>

**SMEs may need support in different areas:**

- Economic
- Policy and regulatory
- Supply chain and Business Operations
- Cultural
- R&D

Source: Bocconi University for Small But Perfect, 2022 (forthcoming)
Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Camilo Quintero
Market Specialist
FAO RLC
REGIONAL WORKSHOP UNECE- FAO

Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Roberto Tume
Executive Management Assistant
Costach
REGIONAL WORKSHOP UNECE- FAO

Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Fernando Rati
Agricultural and Sustainability Manager
Brazilian Cotton Growers Association (ABRAPA) Brasil
Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Pamela Callejas
Market and Trend Research Management
Grupo CRYSTAL Colombia
REDUCED WATER, ENERGY, AND COAL USE.

**WATER**
- A 38% REDUCTION
-EQUALS TO
-206,468,000 LITERS SAVED

**ENERGY**
- A 37% REDUCTION
-EQUALS TO
-11,792,676 kWh
-1,251 Tons Co2
-125 Hectares SAVED
-137,662 TREES SAVED

**COAL**
- A 28% REDUCTION
-EQUALS
-2,462 Tons
-5,632 Tons Co2
-563 Hectares SAVED
-619,572 TREES SAVED

*From 2016 to 2020*
United for greater traceability, transparency and circularity in the garment and footwear sector
United for greater traceability, transparency and circularity in the garment and footwear sector.
Module 3: Making Traceability and Transparency Work: Sustainable, Circular and Inclusive Value Chains for a Competitive Agriculture and Textile Industry

Fernando Pimentel (online)
President of the Board of Directors
Brazilian Textile and Apparel Industry Association (ABIT) Brasil
Brazilian Textile and Apparel Sector
Structure of the value chain
Main figures
Challenges and opportunities

Production
- US$ 38 billion in revenues
- One of the largest producers in the world – internal market oriented
- 24.6 thousand companies (+5 employees) – 80% SMEs
- 1.5 million direct jobs (60% women)
- 383 thousand micro entrepreneurs (78,5% apparel sector)

Fashion Retail
- US$ 44 billion in fashion retail
- 6.3 billion of pieces
- 144 thousand stores
- 26% large retailers

*Production and distribution are spread all over the continental country; informality is estimated in 30%*
Sustainability Agenda

- **Awareness/capacitation:** specialized magazine, open talks, Tex Index Brazil (self diagnostic sustainability tool), Brazilian Sustainable Fashion League, Sustainability and Circular Economy Hub (SENAI CETIQT)

- **Governance/Consumer:** certifications (ex. ABVTEX Program); Purchasing Practices Recommendations; Fashion Transparency Index Brazil (FRB)

- **Productivity:** public-private partnerships – Modalnd. (Secretary of Economic Development – SP); SCORE Training – ILO, Abit and ABVTEX; Abit-SEBRAE partnership (coming soon)

- **Working Conditions:** public-private partnerships (2 projects concluded with ILO); Comissions to eradicate Forced Labor (public sector and civil society); InPACTO (National Pact Institute to Eradicate Forced Labor)

- **Environmental:** chemical safety standard (ABNT); textile waste and reverse logistics (compensation initiatives); reduction of environmental impacts (CETESB Protocol); R&D Bioeconomy (ISI SENAICETIQT)

- **Circular Economy:** industry tool (CNI + São Paulo University) – testing in the sector

- **Collaboration Platform:** Sustainable Fashion Collaboration – about 100 people - promoting cultural changes, influencing public policies, building new narratives, and creating sound solutions

- **International Agenda:** OECD – due diligence; ILO – Annual Conference / Safety and Healthy Protocol; WTO Public Forum – social clauses and FTAs; IAF and ITMF – multiplicity of audits and purchasing practices
United for greater traceability, transparency and circularity in the garment and footwear sector
REGIONAL WORKSHOP UNECE-FAO
Afternoon Session

DAY 2 - WORKSHOP - AFTERNOON, APRIL 7TH 2022

14.30-16.00  MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA
   Learning Objective: To present the cotton blockchain experience, lessons learned and reflections
   Moderator: UNECE Project Expert, Virginia Cram-Martos
   Presenters:
   • United Nations Economic Commission for Europe (UNECE), Olivia Chassot
   • UNECE Project Expert, Andrea Reddelli (online)
   • UNECE Project Expert, Gerhard Heemskerk
   • UNECE Project Expert, Claudia di Bernardino
   Discussants:
   • Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Ingrid Zabaleta, Regional Executive Assistant
   • Cooperative Agraria de Servicios Múltiples "Tallán - Chusía" (COSTACH) Peru, Ricardo Yarique, Manager (online)
   • Creditex Peru, Luis Negrón, Business Analytics and Industrial Engineering Manager
   • Lacnet Luchocha, Eduardo Lemp, Head of Operations
   • UNECE Project Expert, Steve Capell (online)

15.00-16.30 Coffee break

16.30-17.15 MODULE 5: MAPPING THE TRACEABILITY ENGAGEMENT: CHALLENGES, COMMITMENTS AND FUTURE ROADMAP
   Learning Objective: To identify jointly the common challenges and commitments of public and private sector to have more sustainable, transparency and traceability.
   Methodology: Participatory. The participants, with the guidance of the moderator, will express their opinion on common challenges and opportunities that can be implemented through activities in the short, medium and long term.
   Presenter:
   • Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Ingrid Zabaleta, Regional Executive Assistant
   Discussants:
   • National Society of Industry (SNI) Peru, Martin Reano, Textile Committee Manager
   • Peru Textile Exporters Association (PREVEX), Riza Bragañini, President (online)
   • Brazilian Textile and Apparel Industry Association (ABIT) Brasil, Fernando Pimentel, President of the Board of Directors (online)
   • Grupo CRISTAL Colombia, Pamela Celejas, Market and Trend Research Management
   • Business Development Bank of Colombia (BANCODEX), Alfonso Carreño, Executive
   • Peruvian Bank for the small farmer (AGROBANCO), Cesar Gusipe, Board President

17.15-18.30 CLOSING REMARKS
   Presenters:
   • United Nations Economic Commission for Europe (UNECE), Maria Teresa Pisani, Economic Affairs Officer and Project Lead
   • Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Adriana Gregolin, Regional Coordinator Cotton Project
   • EC/LAC, Johan Møller, Chief, International Trade Unit

18.30-19.30 NETWORKING EVENT AND COCKTAIL
REGIONAL WORKSHOP UNECE - FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 April, 14.30-16.00

Moderator
• UNECE Project Expert, Virginia Cram-Martos, CEO, Triangularity S.L.

Presenters
• UNECE, Olivia Chassot
• UNECE Project Expert, Andrea Redaelli
• UNECE Project Expert, Gerhard Heemskerk
• UNECE Project Expert, Claudia di Bernardino

Discussants
• FAO RLC, Ingrid Zabaleta, Regional Executive Assistant
• COSTACH Peru, Ricardo Yarleque, Manager
• Creditex Peru, Luis Negrón, Business Analytics and Industrial Engineering Manager
• IDB-Lacchain, Eduardo Lemp, Head of Operations
• UNECE Project Expert, Steve Capell (online)
MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

Moderator & Presenters

- **Virginia Cram-Martos**
  - CEO, Triangularity S.L., UNECE Project Expert

- **Olivia Chassot**
  - UNECE Secretariat

- **Andrea Redaelli**
  - UNECE Project Expert

- **Gerhard Heemskerk**
  - UNECE Project Expert

- **Claudia di Bernardino**
  - UNECE Project Legal Expert

Discussants

- **Ingrid Zabaleta**
  - Regional Executive Assistant, FAO RLC

- **Ricardo Yarleque**
  - Manager, COSTACH Peru

- **Luis Negrón**
  - Business Analytics and Industrial Engineering Manager, Creditex Peru

- **Eduardo Lemp**
  - Head of Operations, IDB-Lacchain

- **Steve Capell**
  - UNECE Project Expert (online)
REGIONAL WORKSHOP UNECE- FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 april, 14.30-16.00

Moderator

Virginia Cram-Martos
UNECE Project Expert and CEO, Triangularity S.L.
A Blockchain is a distributed database

Alice wants to send money to Bob
Transaction is represented online as a block
The block is broadcasted to all the network

Governance rules decide how it is approved
The network approves the transaction
The block is added to the existing blockchain
The transaction is complete

Everyone in the network has a copy of the updated blockchain

United for greater traceability, transparency and circularity in the garment and footwear sector
What creates the “chain” and immutability?

A hash is a mathematical “fingerprint”

By including the hash of the previous block in each new block, a “chain” is created whereby a change in any block will change the digital fingerprint of all the blocks.
What are the unique characteristics of a blockchain?

1. Immutability

2. Traceability

3. Automatic reconciliation (of accounts)

4. Les contrats intelligents (« smart contracts »)
Combine these different caractéristiques and you can find solutions to a wide range of problems.

- Traceability
- Gestion des litiges & des retours
- Product recalls
- Archiving
- Management of pallets and containers
- Dispatch/Reception of Merchandise
- Digitalisation of documents
- Quality control
- Operations management
- CO2 emissions management

**Blockchain**
This technology will become the foundation for confidence between supply chain partners.
Remember

While blockchains may be immutable and transparent

The correctness of blockchain data depends upon the quality of the EXTERNAL process(es) which decide what data will be written to the blockchain

So do not believe it, if someone says, “This data is true because it is on a blockchain”!

The truth is that, “This is the data that was written on the blockchain at time X” – even if that data was incorrect”
United for greater traceability, transparency and circularity in the garment and footwear sector.

The visible solution

Blockchain – A foundation technology
**Otros Recursos – En Español**

**Blockchain y comercio internacional (BID)**
https://publications.iadb.org/publications/spanish/document/Revista-Integracion--Comercio-ANO-24-No.-46-
Octubre-2020-Blockchain-y-comercio-internacional-Nuevas-tecnologias-para-una-mayor-y-mejor-insercion-
internacional-de-America-Latina.pdf

**Otros**

- **Una clase en línea sobre la tecnología blockchain**
  https://www.coursera.org/learn/blockchain-espanol
- **Una serie de artículos**
  https://miethereum.com/blockchain/pdf/
- **Noticias del último hora:**
  https://es.cointelegraph.com/
Other Resources – in English

• UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT) paper on blockchain and the SDGs

• UN/CEFACT Whitepaper on blockchain in trade facilitation – with 3 chapters introducing the technology

• Foreign Affairs article on blockchain for health-related development assistance
  https://www.foreignaffairs.com/articles/world/2017-11-03/blockchain-and-global-health

• A practical framework for business leaders - World Economic Forum paper on blockchain
  http://www3.weforum.org/docs/48423_Whether_Blockchain_WP.pdf

• Short articles, videos and classes ranging from beginner level to the highly technical
  https://blockgeeks.com/
The Technology Model for Traceability & Transparency and Due Diligence in Textile and Leather

Olivia Chassot, UNECE Secretariat
Andrea Redaelli, UNECE Project Business Expert
The technology model for Traceability & Transparency and due diligence in textile and leather

The potential of advanced technologies to advance traceability, transparency and due diligence focus on Blockchain/DLT

**Distributed Ledger Technology supports...**

- Immutable data sharing
- Multiple points
- Fragmented environments
- Easy scalability

---

United for greater traceability, transparency and circularity in the garment and footwear sector
The technology model for Traceability & Transparency and due diligence in textile and leather

Developing and implementing blockchain systems in complex environment

1. POLICY RECOMMENDATION
   - Framework
   - Guidelines

2a. TEXTILE TRACEABILITY STANDARD
   - Business Process Description
   - Activity Diagrams
   - Business Requirements Specifications
   - Data Model

2b. LEATHER TRACEABILITY STANDARD

3. BLOCKCHAIN PILOT & CAPACITY BUILDING
   - Framework
   - Guidelines
   - Business Process Description
   - Activity Diagrams
   - Business Requirements Specifications
   - Data Model

Pilot Concept to be implemented

Stakeholders’ questionnaire
Scope definition
User stories & “fil rouge”
Sustainability claims
Business & technical requirements
Legal validation
Solution design

COTTON
LEATHER
SYNTHETIC
WOOL & CASHMERE
CELLULOSE

United for greater traceability, transparency and circularity in the garment and footwear sector
## Blockchain Pilots

Harnessing the potential of blockchain technology for sustainability and due diligence in cotton value chains

### Cotton Pilot

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperatives/farms/traders</td>
<td>2</td>
</tr>
<tr>
<td>Manufacturers/suppliers</td>
<td>21</td>
</tr>
<tr>
<td>Brands/Retailers</td>
<td>4</td>
</tr>
<tr>
<td>Standard-setting bodies</td>
<td>2</td>
</tr>
<tr>
<td>Academia-think tanks/Plat.</td>
<td>4</td>
</tr>
<tr>
<td>DNA marker provider</td>
<td>1</td>
</tr>
<tr>
<td>IOs</td>
<td>3</td>
</tr>
</tbody>
</table>

### UNECE Pilot Leadership

- **> 60 Pilot partners**
- **End-to-end VC traceability**
- **18 Countries in Africa, Asia, Europe, North and South America**

### UNECE Traceability & Transparency Blockchain pilot

Username: Username
Password: Password
Show password

### Leather Pilot

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Raw Material prov./traders</td>
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<tr>
<td>Manufacturers/suppliers</td>
<td>4</td>
</tr>
<tr>
<td>Brands /Retailers</td>
<td>5</td>
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<tr>
<td>Certification bodies</td>
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</tr>
<tr>
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<td>Ceramic marker provider</td>
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<tr>
<td>NGOs</td>
<td>1</td>
</tr>
<tr>
<td>IOs</td>
<td>1</td>
</tr>
<tr>
<td>R&amp;D and testing centre</td>
<td>1</td>
</tr>
</tbody>
</table>

United for greater traceability, transparency and circularity in the garment and footwear sector
**A progressive approach**

**Step 1:** Identification of traceable asset, analysis of inputs, processes and value chain partners onboarding

**Step 2:** Evaluation of sustainability hotspots and mitigation measures in place

**Step 3:** Identification of related claims

**Step 4:** Data collection, trainings and data upload in the blockchain platform

**WHO**

- Identify BUSINESS PARTNERS of a value chain (industry & business)

**WHAT**

- Select ASSETS, VALUE CHAIN and CLAIMS

**WHEN**

- Define MILESTONES and TIMELINE in an appropriate plan

**HOW**

- Create PHASES, MILESTONES and TIMELINE in an appropriate plan that includes a BUDGET

**WHY**

- Start with the end in mind: define GOALS and KPIs to measure achievements
HOW – Main activities and estimation of efforts

PILOT RUN

1. PREPARATION
   a. Kick Off
   b. Value Chain Investigation and Selection
   c. Training Participation

2. IMPLEMENTATION
   d. Data Collection
   e. Partners Alignment
   f. Data Exchange
   g. Results Validation

Estimated Effort to track backward a single Value Chain w/o experience:

13\(^{(*)}\) ManDays along 9 weeks

\(^{(*)}\) depending on Value Chain complexity, data availability, material selection, partners availability, communication, etc.
METHODOLOGY – On boarding package

1. UNECE TT BC platform
   http://www.unecettbcplatform.ch/

2. Welcome on Board

3. TT matrix data collection template

4. BC Platform
   User Manual

5. Memorandum of Understanding +
   Rules book for data management
Key tool - T&T Matrix Template

TT Matrix Template

Blockchain platform

UNECE Traceability & Transparency Blockchain pilot

Username: Username
Password: Password

Support

Project Team

User Manual

Support

United for greater traceability, transparency and circularity in the garment and footwear sector
1. Selection of Sustainability Claims

- Origin
- Fibre content
- Use of chemicals
- Social and environmental performance

2. Type of evidences to substantiate the claims

<table>
<thead>
<tr>
<th>TRACEABILITY EVIDENCES</th>
<th>TRANSPARENCY EVIDENCES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shipping notes</td>
<td>Certificates</td>
</tr>
<tr>
<td>Commercial invoices</td>
<td>Audit/Inspection reports</td>
</tr>
<tr>
<td>Delivery notes</td>
<td>Laboratory test results reports</td>
</tr>
<tr>
<td>Packing lists</td>
<td>NGOs / Civil Society Attestations</td>
</tr>
<tr>
<td>Transportation documents</td>
<td>Declarations</td>
</tr>
</tbody>
</table>

3. Phases tracked and traced with supporting documentary evidence

Recycled denim

Organic cotton shirt

- 1. Planting and cultivation of cotton
- 2. Cotton harvest identification & transfer from farmer to ginner
- 3. Ginning & transfer to spinner
- 4. Spinning & transfer to dyer, bleacher, washer
- 5. Dyeing, bleaching, washing & transfer to weaver
- 6. Weaving & transfer to fabric finisher
- 7. Garment or product production & transfer to enablement
- 8. Product enablement & packaging and transfer to "retailer"
- 9. Placement of product in stores or online for sale
- 10. Consumption and disposal
- 11. Post consumption recycling

Information not disclosed or entered in the blockchain platform

Out of scope

United for greater traceability, transparency and circularity in the garment and footwear sector
SELECTION OF PRODUCTS AND CLAIMS TO BE TESTED

SLIM SHIRT  
Season SS21

CLASSIC TAPERED JEANS  
Season SS21

CLAIMS

Traceability of Origin

Organic Content

Traceability of Origin

Recycled Content

Chemical Compliance
Recycled Denim

100% cotton yarn, is an unavoidable waste of the dyeing process that takes place in Berto. It is collected and shipped to Marchi & Fildi in Veneto, Italy.

Cotton Fiber returns to thread at Marchi e Fildi, which combines the waste (65%) with virgin cotton (35%) from Turkey. Piedmont, Italy (65%) + Turkey (35%)

After the Spinning phase in Biella it is returned to Berto for Dying, Weaving and Finishing in Veneto, Italy.
CASE 1: RECYCLED DENIM – CLAIM USE OF CHEMICALS

During the project, three OEKO-TEX Standard 100 Scope Certificates were collected to support the claim.

The green nodes of supply chain indicate the verification of upload and validity of certificates.
A sustainable pyjama traced from field to shelf with blockchain

**LEAD**
FAO Regional Office for Latin America and the Caribbean

**SUPPLY CHAIN PARTNERS**
- Costach associates (farmers)
- Costach LTDA (cooperative)
- Creditex S.A.A (manufacturer)
- The Cat’s Pajamas (retailer)

**SCOPE**
- Peruvian pima seed and fibre, forward digital traceability - Collection of pajamas April 2022
- Physical traceability DNA (Haelixa)

**GOALS**
- Trace the Peruvian PIMA cotton farmed by Costach cooperative from field to shelf by onboarding Creditex yarn producers and trace onwards all production processes of weaving and garment manufacturing
- Provide evidences of sustainability standards and certifications for the mitigation of sustainability hotspots, i.e. chemical use according to Oeko TEX 100 & the social compliance of the garment manufacturer, certified by the WRAP

**ACTIVITIES**
- Training UNECE methodology and EPCIS model, business process analysis, data model in T&T matrix
- Identification traceable asset/key documents/data/certificates for T&T
- Coaching and data upload on UNECE blockchain platform
- Formulation and verification of a claim

United for greater traceability, transparency and circularity in the garment and footwear sector
The Use Case - The flow of data

Companies
COSTACH
COSTACH
Creditex
Creditex
Creditex
Creditex
The Cat’s Pajamas

Value chain
WHY
Companies
COSTACH
COSTACH
Creditex
Creditex
Creditex
Creditex
The Cat’s Pajamas

Business location
WHERE
Piura, Peru
Piura, Peru
Lima, Peru
Lima, Peru
Lima, Peru
Lima, Peru
Lima, Peru

Material/Product
WHAT
Planting
2. Harvesting
3. Ginning
4. Spinning
5. Dyeing
6. Weaving
7. Product production
8. Product Enoblement & packaging
9. Placement of product for sale
10. Consumption
11. Post-consumption

Origin of Pima cotton

Physical traceability

Social and environmental performance
Documentary evidence

Sustainability risks

Claim

TBD
Proof-of-Concept - Opportunities and challenges of harnessing the potential of blockchain technology for due diligence and sustainability in cotton value chains

1. VALUE CHAIN ALIGNMENT
Engaging all value chain partners in the end-to-end traceability

2. KNOWLEDGE SHARING
Building the knowledge for a standardized business approach

3. DATA MANAGEMENT
Understanding data disclosure in the blockchain

4. GOVERNANCE
Governing digital systems

5. TECHNOLOGY INTEROPERABILITY
Integrating a blockchain technology or other digital solutions to existing company systems
### Highlights and key findings – UNECE Blockchain Pilots (draft)

#### Proof-of-Concept

**Blockchain pilot landing page and interface**

**Highlights**

- **+60 partners** covering the full spectrum of value chains
- Across **18 countries** from developed, transitioning and emerging economies
- Blockchain has the potential to:
  - Increase **trust** in sustainability claims for products and materials
  - Enhance **B2B and B2C communication**
  - Improve **access to reliable information** on compliance with policy and regulatory requirements

### Key Findings and Recommendations

**Policy makers**
- Create the necessary **ecosystem**
- Open & **inclusive** solutions
- **Capacity-building/tech-transfer** for SMEs
- Rules on **data privacy and security**

**Industry actors**
- Commit and **collaborate** with all stakeholders in the value chain
- Targeted **investments** in digital technology (blockchain, DNA markers)

**CSOs-Standard-setting bodies**
- Ecosystem **integration**
- Verification, monitoring and validation mechanisms

**Technology service providers**
- Ensure **interoperability** with data management systems & other evolving technologies (blockchain/ AI/ IoT/ etc.)

---

*Organización de las Naciones Unidas para la Alimentación y la Agricultura*

*UNECE*

*The Sustainability Pledge: Track it. Trace it. Make it.*

United for greater traceability, transparency and circularity in the garment and footwear sector
REGIONAL WORKSHOP UNECE-FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 april, 14.30-16.00

Presenter
Gerhard Heemskerk
UNECE Project Expert
Need for standardized data

UN Core Component Library

Buy-Ship-Pay subset

- Supply Chain
- Multi Modal Transport
- Cross-Border Management
- Sustainable Development & Circular Economy

Based on UN/CEFACT International Supply Chain Reference Model

Textile & Leather

Messages

United for greater traceability, transparency and circularity in the garment and footwear sector
From model to web-application and data exchange

**Model**

- **Traceability Events**
  - Transaction
  - Transformation
  - Aggregation
  - Object (e.g., created, moved, destroyed)
  - Certification (certified or verified)

**BC Web-Application**

- **UNECE**
- **UN/CEFACT**
  - TraceabilityEventMessage
  - Based on: ISO EPCIS
  - Traceability standard

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Transformations

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Referenced Standards

Scope Certificate

This T-Shirt has been made from 85% organic cotton.

Criteria

Product Categories

Process types

Origin
Use of chemicals
Fibre content
Socoal/Environment

Transformation

Process types

Compliance

Claim

United for greater traceability, transparency and circularity in the garment and footwear sector
**From PDF Certificate to certificate data to standardized data exchange format**

<table>
<thead>
<tr>
<th>Scope certification</th>
<th>Assessment Assurance Level: Certified (Third Party)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Verifier</td>
<td></td>
</tr>
<tr>
<td>UNECE Internal Certification body</td>
<td>Product categories</td>
</tr>
<tr>
<td>Verifier email</td>
<td>PC0028 - Fabrics</td>
</tr>
<tr>
<td><a href="mailto:gerhard.heemskerk@kpnmail.nl">gerhard.heemskerk@kpnmail.nl</a></td>
<td>Process Types</td>
</tr>
<tr>
<td>Company</td>
<td>Manufacturing</td>
</tr>
<tr>
<td>Textile Facility</td>
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<td><a href="mailto:meyer@textilefacility.ch">meyer@textilefacility.ch</a></td>
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<td>2 - Certificate of conformity</td>
<td>2 - Certificate of conformity</td>
</tr>
<tr>
<td>Assessment Reference standard</td>
<td>Assessment Reference standard</td>
</tr>
<tr>
<td>Oeko-Tex STeP</td>
<td>Oeko-Tex STeP</td>
</tr>
</tbody>
</table>

**Standardized Data**

- **ID**
- **Type Code**
- **Category Code**
- **Issue Date Time**
- **Expiry Date Time**
- **Valid Indicator**
- **Purpose Code**
- **Subject Code**
- **Status Code**
- **Assurance Level Code**
- **Issuer Party**
- **Certified Party**
- **Certified Object**
- **Referenced Standard**
- **Sustainability Criteria**
- **Attachment**

- **Data interchange:** XML/API/JSON
United for greater traceability, transparency and circularity in the garment and footwear sector.
UNCEFACT Standards for data exchange

1. PART OF UN/CEFACT BUY-SHIP-PAY MODEL
2. MODEL FOR CROSS INDUSTRY USE
3. GLOBAL SCOPE
4. FOR SME & LARGE ENTERPRISES
5. BASED ON STANDARDS
6. SUPPORTS TRACEABILITY
7. SUPPORTS TRANSPARENCY
8. STANDARDIZED DATA STRUCTURES
9. STANDARDIZED CODE LISTS
10. TECHNOLOGY INDEPENDENT

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REGIONAL WORKSHOP UNECE - FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 April, 14.30-16.00

Claudia di Bernardino
UNECE Legal Project Expert
The pilots’ collaborative framework and tools for TT

THE DEVELOPMENT OF
A COOPERATION FRAMEWORK

SUSTAINABILITY CLAIMS
Show a picture of sustainability products, processes and facilities

COLLABORATION
Work with businesses partners to increase reliability of claims

ENGAGEMENT
Move from the UNECE toolbox to its application

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The pilots’ collaborative framework and tools for TT

TOOLS FOR THE COOPERATION

Guidelines on Claims

Data Template

Collection of evidences substantiating the claims

Starting Point

Policy Recommendation

Claims Methodology serving for Guiding Partners Use Cases

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The pilots’ collaborative framework and tools for TT

CLAIMS VERIFICATION PROCESS

Sustainability Claims → Supporting Data

01 SELF DECLARED
02 SELF ASSESSED
03 SECOND PARTY VERIFIED
04 THIRD PARTY CERTIFIED

Assurance Types developed within the pilots

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The pilots’ collaborative framework and tools for TT

**DATA COLLECTION**

1. Information on Traceable Assets, Claims and Partners
2. Documents related to Transactions
3. Documents related to Sustainability Claims

- Shipping Notes
- Commercial Invoices
- Delivery Notes
- Packing Lists
- Transportation Documents

---

**Traceability Evidences**

- Certificates
- Audit/Inspection Reports
- Laboratory Test Results Reports
- Self Declarations

---

**Transparency Evidences**

United for greater traceability, transparency and circularity in the garment and footwear sector
SELECTION OF PRODUCTS AND CLAIMS TO BE TESTED

SLIM SHIRT
Season SS21

CLASSIC TAPERED JEANS
Season SS21

CLAIMS

“The material of this shirt is made of organic cotton sourced from USA and totally traceable in its value chain. This cotton yarn is organic, produced without the use of pesticides and harmful chemicals for health and the environment”

“The fabric of this jeans is made of 65% regenerated cotton yarn coming from the pre-consumer waste of our Italian fabric supplier and 35% of virgin cotton sourced from Turkey. From the yarn up to the finishing of the denim material the processing steps avoid the use of harmful chemicals for the health and the environment”
The pilots’ collaborative framework and tools for TT

DATA DISCLOSURE

01 Country
02 + Region/Province
03 + Company Name and Address
04 + Certificate/Assessment Report Type
05 + Copy of Certificate/Assessment Report
The pilots’ collaborative framework and tools for TT

BLOCKCHAIN CHALLENGES

Farmers, Producers and SMEs

Data Protection

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MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 april, 14.30-16.00

Ingrid Zabaleta
Regional Executive Assistant
FAO RLC
REGIONAL WORKSHOP UNECE-FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 april, 14.30-16.00

Ricardo Yarleque
Manager
COSTACH Peru
MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 April, 14.30-16.00

Luis Negrón
Business Analytics and Industrial Engineering Manager
Creditex Peru
REGIONAL WORKSHOP UNECE-FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 April, 14.30-16.00

Eduardo Lemp
Head of Operations
IDB-Lacchain
LACNet es una asociación internacional sin fines de lucro, fruto de la alianza entre RedCLARA y LACNIC en colaboración con BID Lab, cuyo objetivo es la orquestación neutral y sostenible de redes blockchain desarrolladas en el marco de LACChain.
En colaboración con:

En el marco de la alianza global

LACCHAIN
¿Qué es LACNet?

• Entidad legal que permitirá a las organizaciones, gobiernos y empresas, sumarse con sus proyectos a una red neutral y abierta, con énfasis en la reducción de desigualdades económicas, sociales, de género o de cualquier tipo, todo mediante el poder de blockchain.

• LACNet nace con el propósito de poner a disposición redes blockchain para uso de gobierno y empresarial.
Soluciones actuales desarrolladas

- Credenciales académicas digitales.
- Soluciones de gobierno electrónico.
- Promoción de la inclusión financiera.
- Facilitar la digitalización en sectores vulnerables.
- Certificación de derechos de propiedad.
- Trazabilidad y seguridad en transferencias condicionadas.
- Soluciones para mitigar la violencia de género.
- Otros usos de la tecnología blockchain con impacto en inclusión.
### Reconocimiento de valor:

<table>
<thead>
<tr>
<th>Cadena de suministro y trazabilidad</th>
<th>Integración y cadena de valor</th>
<th>Cambio climático</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belize Smart Sugar Cane Cluster</td>
<td>Proyecto Cadena</td>
<td>Vínculo verde</td>
</tr>
<tr>
<td>Cadena de Café Honduras</td>
<td>Credenciales verificables</td>
<td>CREAD. Seguro</td>
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<tr>
<td>Trazabilidad de la fibra de alpaca</td>
<td>sobre el origen del producto</td>
<td>frente a catástrofes naturales</td>
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</table>

<table>
<thead>
<tr>
<th>Registro de la propiedad</th>
<th>Elecciones</th>
<th>Contratación pública</th>
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<tr>
<td>Supemotariado</td>
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<td>Licitaciones Públicas Honduras (ProFIB)</td>
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<tr>
<td></td>
<td></td>
<td>Glass: Trazabilidad de los procesos de obras públicas</td>
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<tr>
<td>Banca</td>
<td>Servicios Financieros</td>
<td>Inclusión económica</td>
</tr>
<tr>
<td>---------------</td>
<td>-----------------------</td>
<td>---------------------</td>
</tr>
</tbody>
</table>
| • Cross Border Payments | • Certificados de depósito  
                      | • Trasferencias condicionadas | • Credenciales verificables sobre situación económica 
                      | • Perú Compras  
                      | • Prosperidad Social | • Proyecto DIDI  
                      | • Identidad digital para empresas |
|                |                       |                     |                  |
| Salud         |                       |                     |                  |
| • David-19    |                       |                     |                  |
| • Certificados de vacunación |                   |                     |                  |
|                |                       |                     |                  |
| Educación     |                       |                     |                  |
| • Blockcerts Caribbean  
( Diplomas académicos) |                   |                     |                  |
| • University of West Indies  
• Red Clara: credenciales académicas |                   |                     |                  |
|                |                       |                     |                  |
| Empleo        |                       |                     |                  |
| • Certijoven/Certiadulto |                   |                     |                  |
|                |                       |                     |                  |
| Violencia doméstica |                   |                     |                  |
| • Proyecto Ni1+ |                   |                     |                  |
**Propuesta de valor: Diferenciadores**

<table>
<thead>
<tr>
<th>Diferenciador</th>
<th>LACnet Model</th>
<th>Monitoreo activo</th>
</tr>
</thead>
<tbody>
<tr>
<td>Modelo de gobernanza corporativa</td>
<td></td>
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<tr>
<td>Costo transaccional</td>
<td></td>
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<tr>
<td>Membresía requerida</td>
<td></td>
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<tr>
<td>Cobertura legal</td>
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<tr>
<td>Operación garantizada (SLA)</td>
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<tr>
<td>Soporte proactivo y reactivo</td>
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<tr>
<td>Topología de red descentralizada</td>
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<td></td>
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<tr>
<td>garantizada</td>
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</tr>
</tbody>
</table>
Propuesta de valor: Global
¿Qué es la MainNet de LACNet?

- Red con garantías para proyectos en producción con potencial de escalabilidad.
- Incluye una membresía para cumplir con su objetivo de ser autosostenible.
- Tiene características de bien público abierto y neutral.
- Red blockchain con énfasis en proyectos con impacto en inclusión.
¡Despliega tu nodo!

Para más información, contáctanos:

- comercial@lac-net.net
- eduardo.lemp@lac-net.net

Sitio web: lacnet.lacchain.net

GitHub: www.github.com/lacchain

LACChain Academy www.lacchain.net/academy

LACChain Wiki https://github.com/lacchain/wiki/wiki
REGIONAL WORKSHOP UNECE- FAO

MODULE 4: UNECE COLLABORATIVE FRAMEWORK, TOOLS AND OTHER CASE STUDIES TO SUPPORT DUE DILIGENCE AND SUSTAINABILITY THROUGH BLOCKCHAIN IN LATIN AMERICA

7 April, 14.30-16.00

Steve Capell
UNECE Project Expert
Scaling up from pilot to full volume

**Step 1:** From manual to automated data entry into the UNECE platform

Using simple **APIs** (Application Programming Interfaces) that are fast and cheap to implement

Because human data entry will not scale to the millions of transactions in the modern textile supply chain.
And from one platform to many

**Step 2:** From a single traceability platform to a global network of platforms

Because there will never be one platform to rule them all and so we need an architecture that can follow a supply chain thread across multiple platforms.

Using **VCs** (Verifiable Credentials) - a high trust and privacy preserving way to link different parts of the chain across competing platforms.
More detail about the APIs

API Design & implementation Scope

- referenceData
  - GET
- businessPartner
  - GET, POST, PUT
- transactionEvent
  - GET, POST, PUT
- transformationEvent
  - GET, POST, PUT
- aggregationEvent
  - GET, POST, PUT
- objectEvent
  - GET, POST, PUT
- traceabilityGraph
  - GET

Multiple participant business systems push a series of lightweight supply chain “events” that the platform can link together to form the chain.

Business systems can query the platform to get the end-to-end “traceability graph” to show to their customers as evidence of sustainability.

Deployment

Supply chain stakeholder

Collaborates on design

Does Business

Multiple participant business systems push a series of lightweight supply chain “events” that the platform can link together to form the chain.

Business systems can query the platform to get the end-to-end “traceability graph” to show to their customers as evidence of sustainability.

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More detail about the VCs

- **Growers in Australia**
  - Provenance, organic, water usage VC
  - Agricultural provenance platform
  - Hedera Hashgraph ledger

- **Spinners & weavers in Vietnam**
  - Human welfare, chemical residue VC
  - Manufacturing quality platform
  - Simple database (no ledger)

- **Manufacturers & wholesalers in Europe**
  - Origin, composition & sustainability VC
  - UNECE traceability Platform
  - Ethereum blockchain contract

- **Retailer or consumer**
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Follow our work at

https://github.com/uncefact/traceability
Break 30 minutes
REGIONAL WORKSHOP UNECE- FAO

MODULE 5: MAPPING THE TRACEABILITY ENGAGEMENT: CHALLENGES, COMMITMENTS AND FUTURE ROADMAP

7 april, 16.30-17.15

Presenter
• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Ingrid Zabaleta, Regional Executive Assistant

Discussants
• National Society of Industry (SNI) Peru, Martín Reaño, Textile Committee Manager
• Peru Textile Exporters Association (PREVEX), Rizal Bragagnini, President
• Brazilian Textile and Apparel Industry Association (ABIT) Brasil, Fernando Pimentel, President of the Board of Directors
• Grupo CRYSTAL Colombia, Pamela Callejas, Market and Trend Research Management
• Business Development Bank of Colombia (BANCOLDEX), Alfonso Carreño, Executive
• Peruvian Bank for the small former (AGROBANCO), Cesar Quispe, Board President
MODULE 5: MAPPING THE TRACEABILITY ENGAGEMENT: CHALLENGES, COMMITMENTS AND FUTURE ROADMAP

Presenter

Ingrid Zabaleta
Regional Executive Assistant
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Alfonso Carreño
Executive, BANCOLDEX

Cesar Quispe
Board President AGROBANCO

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CLOSING REMARKS

7 april, 17.15-17.30

• United Nations Economic Commission for Europe (UNECE), Maria Teresa Pisani, Economic Affairs Officer and Project Lead
• Food and Agriculture Organization Regional Office for Latin America and the Caribbean (FAO RLC), Adriana Gregolin, Regional Coordinator +Cotton Project
• ECLAC, Johan Mulder, Chief, International Trade Unit
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