DEVELOPING GLOBAL SYSTEMS FOR TRACKING, TRACEABILITY & PRODUCT DATA IN TEXTILE VALUE CHAINS
Context: New regulation drives need for traceability & transparency

**European Commission Strategy**

**Sustainable and Circular Textiles by 2030**  
(EU Green Deal, Circular Economy Action Plan)

- eco-design requirements, Digital Product Passport,  
- tackle greenwashing, microplastics release, Extended Producer Responsibility, Incentivisation of circular business models

**EU regulatory solutions and initiatives**

1) regulatory approaches to **demand information**  
- CSRD, CSDD, Sustainable Products Initiative, EU Waste Framework directive, substantiating green claims, PEF, Empowering consumers for the green transition directive, Textiles Ecosystem Transition Pathway,...

2) initiatives to support the **development of solutions for access to information**  
- EU Digital Product Passport; UNECE Sustainability Pledge project, UNEP InTex project

**Increasing** due diligence/ reporting/ etc. **requirements** along the whole business value chain & **increasing demand to gain access** to and **provide** this information
Context: Understanding stakeholder needs

- Increasing need of reliable ESG data for decision making
- Detailed, accurate, trusted, timely product data needed
- An existing good number of multi-stakeholder initiatives working to improve the provision or access to value-chain information

Key Roles & Status

- Requirement of collective action for technological, institutional solutions
- Costs/feasibility for SMEs
- Interoperability across sectors and geographies
- Technologies to scale information provision
- Trust/global acceptance
Developing global systems for tracking, traceability and product data in textile value chains

Wide range of stakeholders

Reference: UNECE, 2021: Enhancing the Transparency and Traceability of Sustainable Value Chains in the Garment and Footwear Sector, p.3
Five Areas of Action needed
Largest gaps in governance and incentives.

TRACEABILITY

TECHNOLOGICAL DATA INFRASTRUCTURE
- technical interoperability standards
- privacy, confidentiality
- access
- user-friendliness

HARMONIZED DATA MODEL
- clarity on data points
- clarity on collection formats
- clarity on data reporting & recipients
- flexibility; scalability

OUTCOME: DATA QUALITY

INCENTIVE STRUCTURES
- Sufficient positive reasons for data to be exchanged
- Trust, security, sharing rights

DATA GOVERNANCE FRAMEWORKS
- governance framework (short-term)
- policy (global harmonization) (long term)

TRANSPARENCY

OUTCOME: DATA QUALITY

Project Focus areas

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TRANSPARENCY
Institutions for governance and incentive structures require collaboration.

Collaborative framework with proper governance and incentives to provide interoperable and accessible quality data to all stakeholders.

Regulation and market drivers creating urgency for concerted action.
Example ‘institution’: Open Banking

IN FIGURES:
- Mandated by UK regulator, Competition Markets authority (CMA)
- Designed launched in UK in 2016
- Regulated and implemented across the whole of the UK market by 2019 (in under 5 years)
- 2M consumers in UK
- Open Banking practices are now in development across over +20 countries
- Open Banking market is projected to grow to over $40B by 2026.
- Other sector: Open Energy (under dev.)

Open Banking UK: [https://dgen.net/0/](https://dgen.net/0/)

PoC reported by IceBreaker One: [https://icebreakerone.org/report-nfdf/](https://icebreakerone.org/report-nfdf/)