

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



Timeframe: 2019-2023  
Supported by DG International Partnerships



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



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



## Global level

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

## EU level

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

## National level

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

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

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

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

**And how can we help as public institutions?**

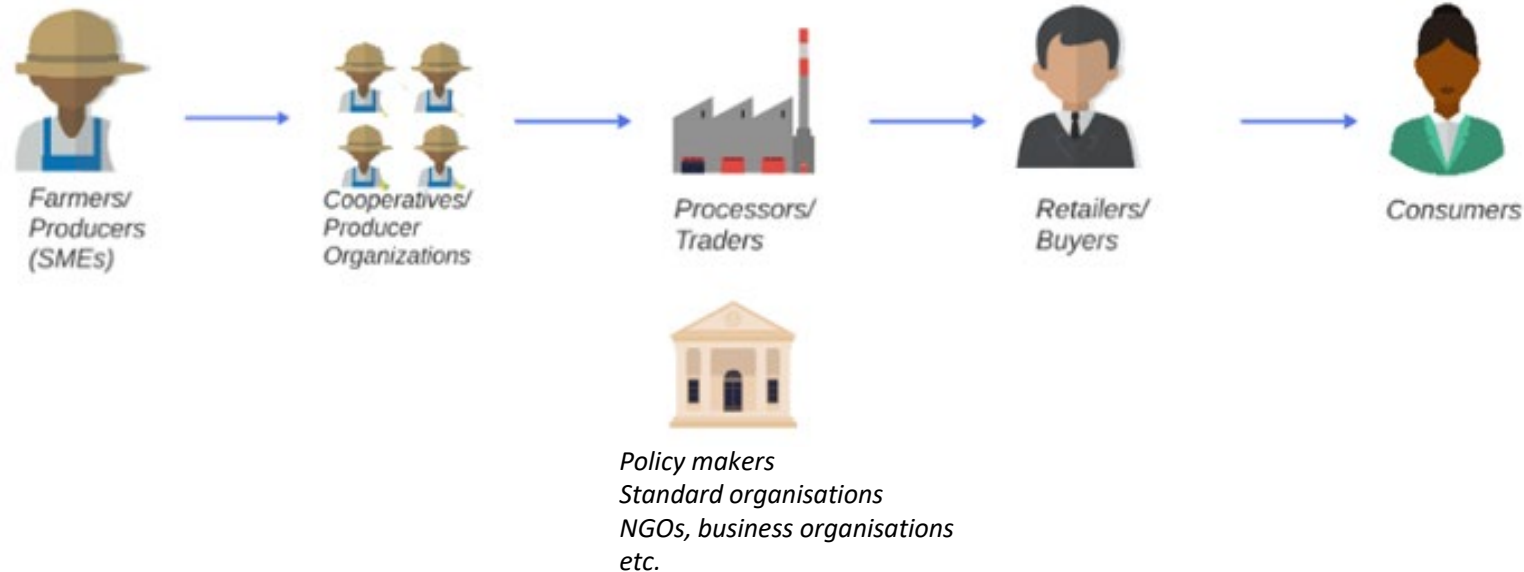
## Traceability system

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

## Audit sharing platform

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

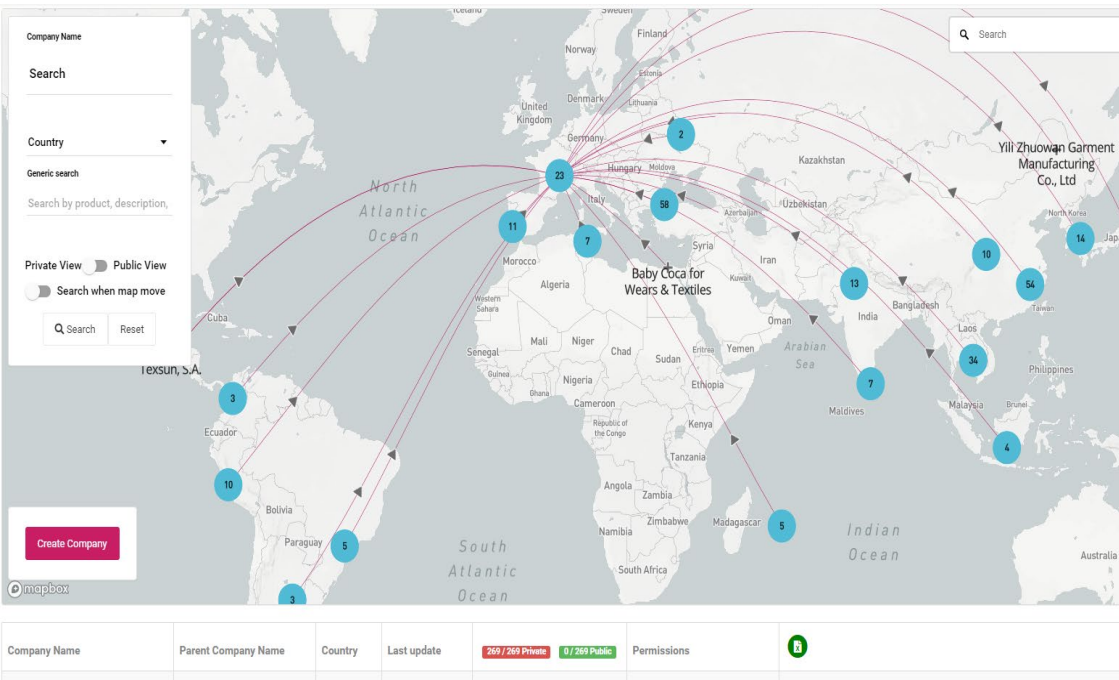
## Transparency and traceability in the garment industry



# ITC Sustainability Gateway solutions

## Sustainability Map:

Visualize brands' suppliers location, factory profiles, social and environmental audit results.



## ITC partners:



**“One-stop shop”** - acting as a global public repository of neutral and trusted information about businesses' sustainability credentials

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

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

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

**Unique Identifier** – Reduce duplication of efforts and audit fatigue by understanding which suppliers are certified by multiple standards or codes of conduct

# Social and Labor Convergence Program



## Brands accepting SLCP Assessments

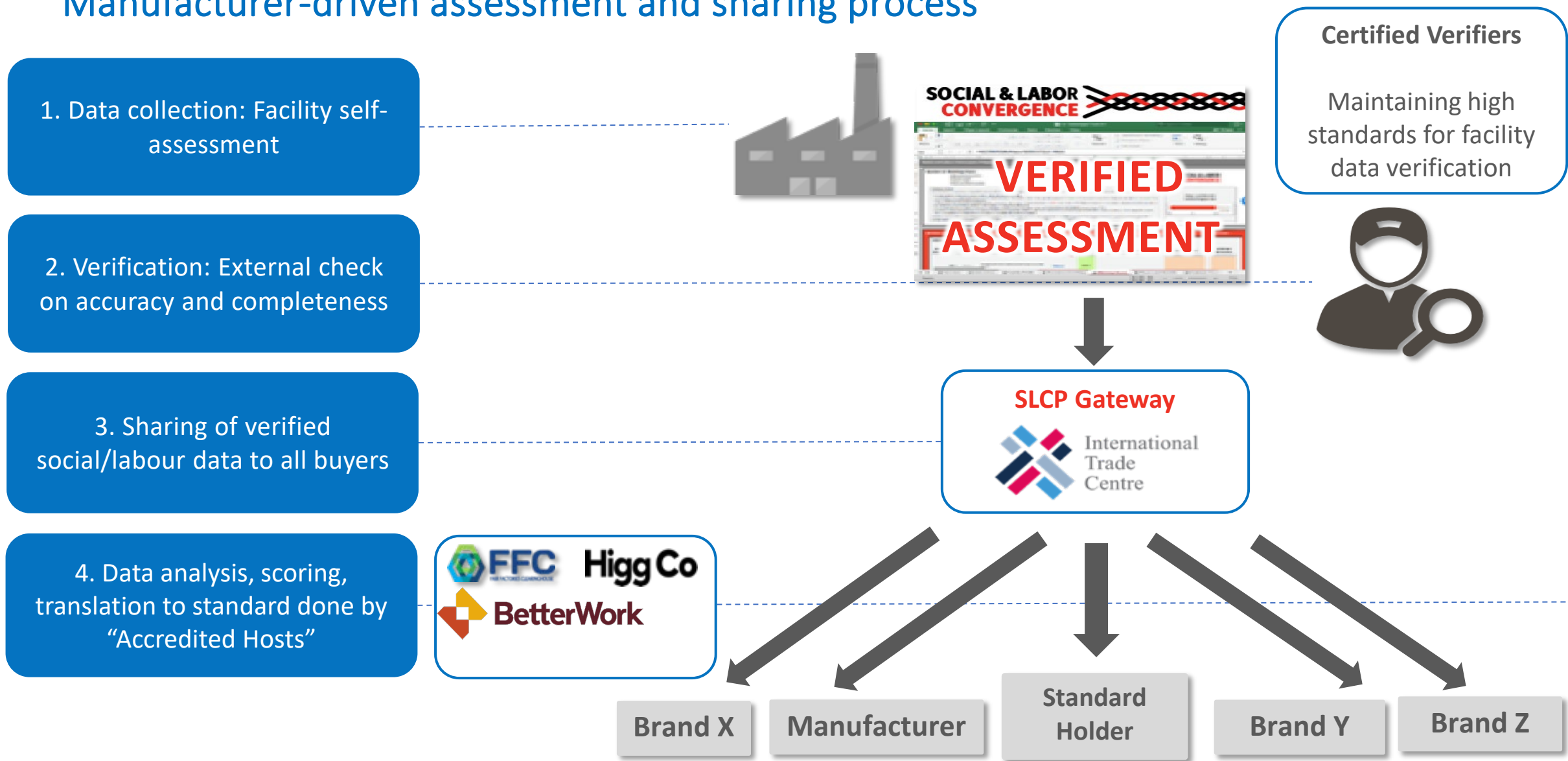
List current as of 01 November 2022. For more details, including which countries and tiers brands & standard holders accept SLCP data from, please see the full list on the SLCP [website](#).



- Pre-competitive consortium of **254 signatories**, including manufacturers associations and many of the largest fashion brands
- The SLCP system **avoids audit duplications by providing a converged S&L assessment framework** to be used by all participating stakeholders.
- Converged Assessment Framework (CAF): data collection tool and robust verification, **co-developed with ILO Better Work**
- Over **10 million EUR in savings** estimated for garment facilities as of November 2021 that can be redirected towards the improvement of social and labour conditions.

# Social and Labor Convergence Program

## Manufacturer-driven assessment and sharing process

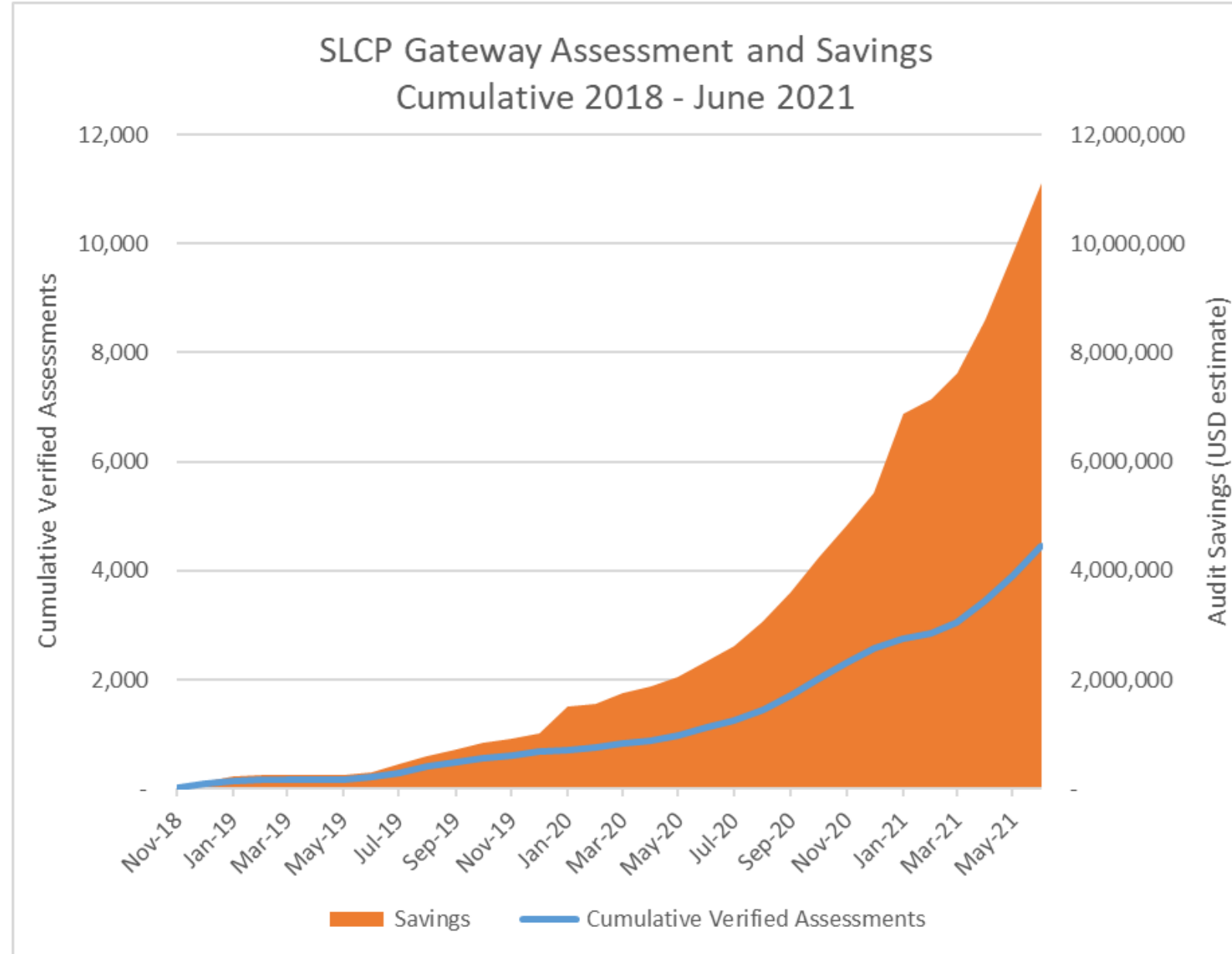


# Gateway uptake



## Exponential growth in uptake

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



## Expanded uptake and further integration

- **Increase number of facilities and brands** utilizing the Gateway and implementing the traceability standards through outreach and working with more partners and Support uptake and improvement of working conditions through continued **SME capacity building**
- **Integration** of traceability standard with the Gateway and harmonization of coverage, e.g. increased attention to environmental issues in the Gateway
- **Potential replicability** to other sectors to support the effective implementation of EU sustainability objectives

## Data-informed solutions

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

