



Traceability and transparency for a circular economy

What does it mean? Why is it important for the CE transition and how to incorporate in a national strategy

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- 1. Overview of traceability and transparency**
- 2. Drivers, benefits and challenges**
- 3. Leading developments**
- 4. Moving forward: Integrating into national roadmaps**

Chatham House Expertise



Just Transition



Policy



Finance



Trade

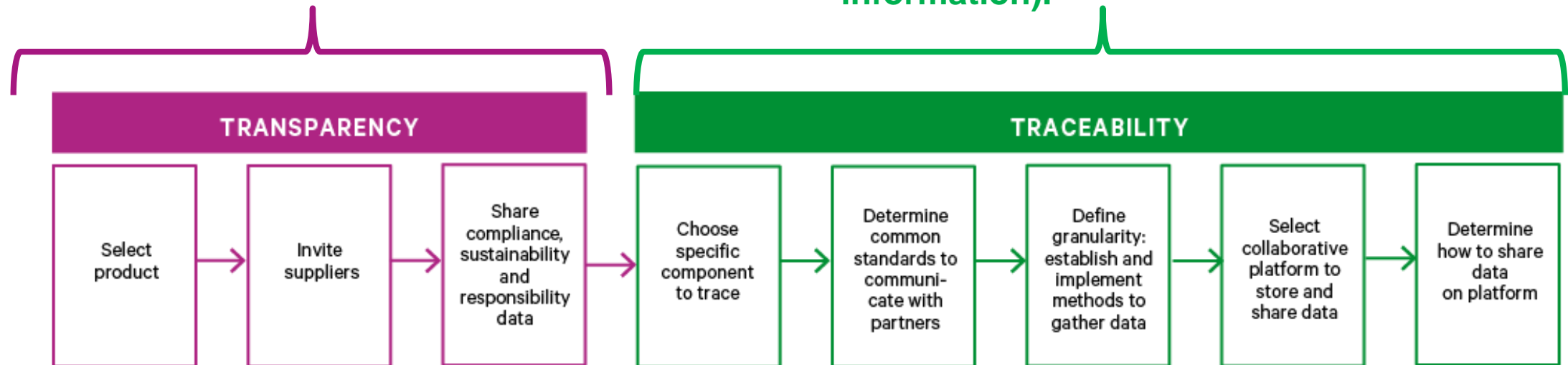


Traceability

What is traceability and transparency?

- High-level supply chain information (certifications, compliance, names and accreditation of suppliers).
- High transparency = high trust along value chain

Granular individual product/batch level data (chemical composition, material sourcing, maintenance records, purchase order information).



Transparency focuses on **end-to-end** supply chain, while traceability focuses on **specific data at the batch or product level.**

Policy drivers for increased traceability and transparency

Unilateral

Policies
550+ across
110+ countries

**National
roadmap/strategies**
52 developed or
under development

CE in NDCs
79 countries

CRM strategies

Global

**G7 Berlin Roadmap
on RE and CE**

Industrial alliances
CEP, Global Battery
Alliance, Global CE
Protocol..

Standards
ISO TC323 & DIS
59004

**Reporting - Green
Finance Taxonomies
and CSRD (ESRS),
Due Diligence**

**Multilateral
agreements**
(Global Plastics Treaty,
Basel Convention,
TESSD, Dialogue on
Plastics, HS updates)

Strategies
EU CEAP2.0,
ASEAN
Framework on CE

National Circ
Roadmaps/S

■ Roadmap
Developed

■ Roadmap
Developm

Policy drivers for increased traceability and transparency

Reporting

- Corporate due diligence sustainability
- Corporate Sustainability Directive and

Green claims:

- Proposal of a Green Claims Directive for Consumers
- Legislative Framework for Green Claims

Circular economy

- CEAP, ESPR
- Chemical Strategy
- EU sector strategies (i) Plastics in a CE and (ii) sustainable and circular textiles

Success underpinned by transparency and traceability



Benefits of improved traceability and transparency

Regulation/Public sector

- Streamline verification of eco-design compliance
- Public procurement
- Monitoring of sector wider progress



Business

- Collaboration & competitiveness
- Data for circular design of products and services.
- Performing circular activities & circular



Trade

- Facilitate and regulate transboundary trade of circular trade flows
- Competitiveness



Consumer awareness:

- Verification of circular claims
- Product lifetime extension

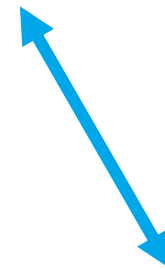


- **Lack of awareness** among industry and consumers
- **Requires collaboration, coordination and trust** between a wide range of actors across multiple jurisdictions
- **Lack of information** – transparency and data availability. Fragmented data is not available.
- **Costly to implement** – traceability programmes require significant resources and data (particularly for MSMEs in developing countries).
- **Lack of trust** to divulge data – some of which may be regarded as commercially sensitive – also inhibits progress.

Public sector *must* assume a central role of mutual and trusted broker

Circularity transparency protocols/standards

- GS1 Global Traceability Standard
- W3C VC
- PR3's standard for reusable packaging
- UNECE's traceability standards for sustainable garments and footwear.
- ESRS5 and ISOTC323



Reporting tools and metrics

- WBCSD 'Circular Transition Indicators',
- EMF 'Circulytics',
- BCG 'CIRCelligence'
- CE 'Circle Assessment'.



Service providers

- Circularise, Provenance, Circolor, TraceX, Reath
- Informal workers - BanQu and Plastic Bank. **Serbia – 18% informal workers.**

Phase 1 – Information and data gathering

- Understand the opportunities and challenges of traceability, transparency, sustainability and circularity in targeted sectors and agree on appropriate roles, responsibilities and common metrics
- Identify and analyse international best practices on traceability and circularity for priority sectors
- Policy and industry gap analysis (standards, protocols, wider CE) - understand the multi-level dimension of T&T
- Clarify necessary provisions for most disadvantaged in participating – tailored support (informal actors and SMEs)
- Understand how T&T could be integrated with/underpin wider CE roadmap

Phase 2 – strategy design

- Consultation with all actors (particularly in relevant sectors) **(Digital Serbia Initiative?)**
- Inter-ministerial coordination (Env, Agriculture, Trade, Interior, Customs)
- Identify and support opportunities for pilots and experiments **[Circular Vouchers?]**
- Identify possible policy instruments (public procurement requirements, mandatory reporting, centre of excellence)
- Identify and support opportunities for pilots and experiments

Thank you for your attention!

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