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Statement by

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at

“Vision & Visibility: Scaling transparency”

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Thank you very much to Mr. Boeri, President of Triennale Milano for joining UNECE in hosting this event in an outstanding venue, and to Mr. Paolo Naldini, Director of the Fondazione Pistoletto Cittadellarte, our co-organizing partner. The clothing sector is a key sector for advancing sustainability.

For years already, there is attention on this sector, given that it is affected by social and human right violations.

However, the clothing sector is also a key sector for advancing sustainability and circularity in the context of the triple planetary crisis of climate change, nature loss and pollution.

These past weeks, extreme weather-related across Europe events of have made the climate crisis more visible, and have shown to us the urgent need to reduce its GHG emissions: according to a Mc Kinsey report from this year, by 2030, extreme weather events could jeopardise \$65 billion worth of apparel exports and eliminate nearly one million jobs in economies that are among the most central to the global clothing sector.

The United Nations Secretary General Antonio Guterres said in his special address on world environment day two weeks ago: "Our planet is telling us something, but we don't seem to be listening".

All of this calls for making supply chains more sustainable, and also more resilient.

Industry leaders have a critical role to play to reduce carbon emissions and ensure that the world limits global temperature rise to 1.5 degrees Celsius in line with the Paris Agreement.

On the regulatory side, a wave of legislations is aiming at ensuring that the textiles and clothing sector makes a tangible contribution to this objective. In the EU alone, 16 pieces relating to clothing and textiles were under discussion in 2023. Once in force, they will increasingly require businesses to have full supply chain visibility across all tiers of production. This wave of legislation is turning this industry into a highly regulated sector. This is not without

controversy. Many are voicing challenges about the costs and the administrative burden this might entail.

Indeed, many companies have limited visibility over their suppliers. They lack reliable and standardized data to make meaningful decisions for our joint journey towards a low-carbon textile industry, and for their compliance with the many new regulatory requirements.

This is why supply chain traceability and transparency are so important. Traceability and transparency of supply chains can be a critical enabler for regulatory compliance regarding due diligence, digital product passports, green claims - for resilient, sustainable, and circular supply chains.

At UNECE, we are working to harness this opportunity. The digital and the green transformations are priority themes for our member States. Circular economy models offer significant opportunities for delivering improved sustainability and meeting international commitments towards a low carbon economy.

Ladies and gentlemen,

Today's event 'Vision & Visibility: Scaling Transparency' marks a milestone for our Sustainability Pledge initiative. It is the culmination of several years of research, development work, capacity-building and outreach activities.

In 2021, we developed a series of policy recommendations, implementation guidelines and information exchange standards. Endorsed by all 56 UNECE member States, this toolbox comes as part of the Sustainability Pledge initiative jointly implemented by UNECE and the International Trade Centre, with support from the European Union, our donor. And let me thank particularly the Directorate-General for International Partnerships of the European Commission in this regard.

The toolbox helps companies formulate verifiable sustainability claims for clothing. It also helps test advanced technologies, such as blockchain, for

companies to take risk-informed sourcing decisions. This all goes to show that traceability and transparency are challenging and complex, but possible. Looking ahead, scaling-up is a top priority. At the UN Centre for Trade Facilitation and Electronic Business (UN/CEFACT), hosted at UNECE, we have started to work on a UN Transparency Protocol supporting due diligence across sectors and countries.

The strength of this effort lies with its global multi-stakeholder platform, and today's event is a testimony to its convening power. Part of our Sustainability Pledge, our Call to Action has been joined by academia, civil society, international organizations, producers, manufacturers, brands – by MSMEs and by large brands, from Europe, America, Africa, Asia and Oceania. It covers the whole ecosystem of the clothing sector.

Today is the launch of the Community of Practice: a community of actors, joining us here, in Milan and online, that have all pledged for traceability and transparency. In less than three years, the Sustainability Pledge received more than 100 pledges, involving +800 partners. We are proud of these figures and achievements – but this would not have been possible without you all. Today is an opportunity to convene the community for the first time and to strengthen our commitment to accelerate action.

In our discussions here in Milan, we will explore a variety of topics: from key performance indicators, blockchain and digital product passports, scalability of pilots, solutions for the used textiles crises, incentives, and cultural shift – all supporting a vision for the industry of the future.

Thank you for your support, enthusiasm and commitment.

For the three years anniversary of the Sustainability Pledge, I wish you all a very inspiring and fruitful one-day of exchanges and learnings.

Thank you.
