









### **WORKSHOP**

### **Advancing Traceability and Transparency in the Beef Industry**

How traceability tools enable industry actors to authenticate sustainability claims

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# Drivers for Traceability and Transparency

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

### 1. Drivers

Social forces

Market forces

- Regulatory forces
- ▼ Technological forces

### 2. Actors/ Enablers



Plays an increasing role in demanding greater scrutiny of private sector actors and in driving demand for more sustainable products



#### **Consumers**

- Ready to pay a premium for products with greater transparency
- Will boycott / punish products and investors with opaque credentials



#### Industry

- Aware of reputational risk
- Strive to be ahead of regulation to reduce compliance risk
- Sees opportunity in demand growth for sustainable products



#### **Investors**

- Increasingly shifting their portfolios towards ESG investments
- Wary of exposure to planetary boundaries and stranded assets



#### Law makers

Responding to civil society demand for greater transparency and traceability



#### **Technology**

• New digital and physical technological innovation reduce barriers and costs





## The UNECE Framework Initiative











Blockchain pilots +**90 partners** (brands-manufacturers, IGOs, standard setters, academia/start-ups)



### The Toolbox



01. Policy Recommendation & Call to Action

Adopted in April 2021





02. Traceability&Transparency Standard & Imp Guidelines

Adopted in April 2021





03. Blockchain Pilots & Capacity Building

Ongoing





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Blockshain of Sustaineble Value Chains

Electronic UNECE

Blockshain solution
in the garment and flootness industry

User Manual



Project webpage <a href="https://unece.org/trade/traceability-sustainable-garment-and-footwear">https://unece.org/trade/traceability-sustainable-garment-and-footwear</a>



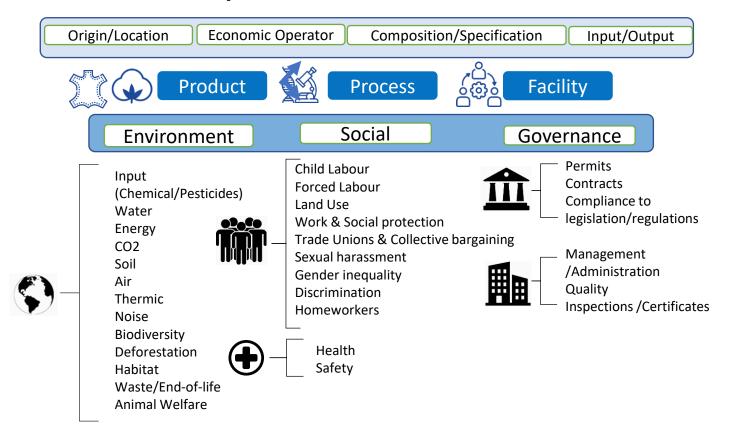




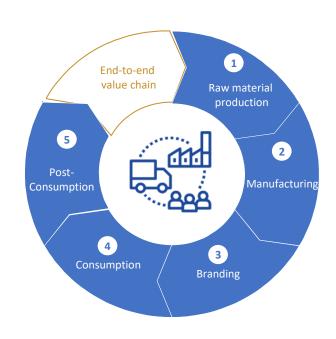


# Information Exchange for Traceability and Transparency

#### 1. Sustainability-related information



#### 2. Scope covered





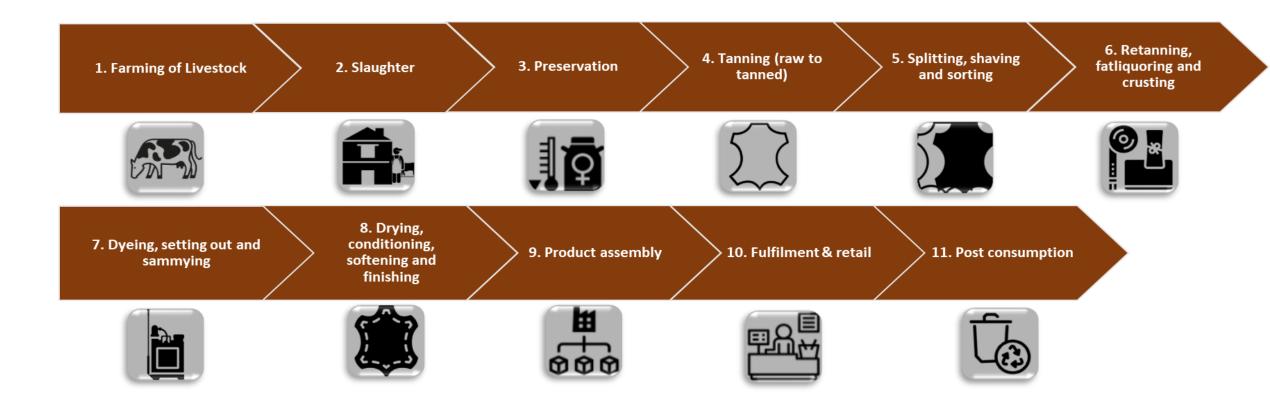






## The Standardized Leather Value Chain

UNECE Business Process Analysis for Sustainability and Circularity in the Leather Value Chain (2021)



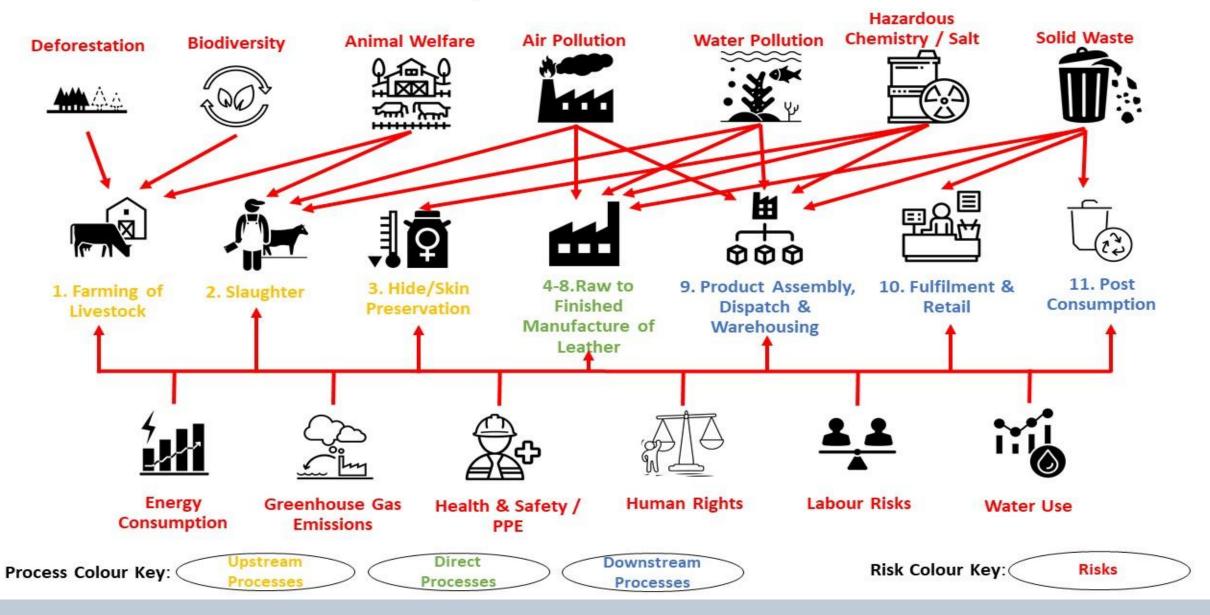








### Sustainability Risks in the Leather Value Chain

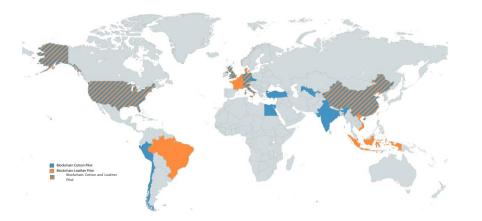






## **Blockchain Pilots**

Pilots geographical coverage and key figures



- **19** use cases
- **95** partner companies
- 23 countries
- 109 coaching sessions
- **+180** experts trained

#### **Partners**









(Ŧ)

Tyson



tapestry



minerva





























#### Overview of products' use cases



Recycled denim jeans



Organic shirt



Regenerative Turkish cotton T-Shirt



Uzbek cotton T-shirts



Inclusive Peruvian cotton pyjama



Low environmental impact cotton socks



Chemical compliant and sustainable leather handbag



Chemical compliant and sustainable leather sneakers

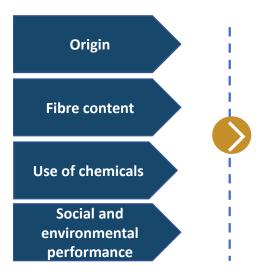






## **UNECE Traceability & Transparency Blockchain Pilots**

**Step 1. Selection of Sustainability Claims** 



**Step 2. Type of evidences to substantiate the claims** 

TRACEABILITY EVIDENCES	TRANSPARENCY EVIDENCES				
Shipping notes	Certificates				
Commercial invoices	Audit/Inspection reports				
Delivery notes	Laboratory test results reports				
Packing lists	NGOs / Civil Society Attestations				
Transportation documents	Declarations				



Step 3. Phases tracked and traced with supporting documentary evidence







## Use Case: Pair of shoes (Brazilian leather)

Shipping

Claim

The leathers used in the manufacturing of this shoe were originated in farms carrying strict organic practices – in line with the USDA National Organic Program – that foster the responsible use of resources, conserves biodiversity and promotes the humane handling of animals. The hides were carefully processed on LWG Gold Rated tanneries working with efficient and cleaner processes, in safe work environments. All leathers were finished in facilities using responsible and safer chemicals compliant with ZDHC's Guidelines.

Companies Value Pime Asia Prime Asia Pime Asia Minerva Foods chain **APACHE** adidas Information identified but Not Applicable Information identified and disclosed Out of scope step Out of scope (Raw to Tanned) **H** Air Pollution **Energy consumption** Water Pollution Health and safety/ PPE Sustainability Animal Welfare risks covered Hazardous chemicals Water Use Solid waste

Transparency evidences

Treaceability evidences

**USDA** ORGANIC

Delivery



Shipping note, delivery note

note, bill

of lading



# Helpful resources on UNECE website

- UNECE: SUSTAINABILITY PLEDGE Homepage (thesustainabilitypledge.org)
- UNECE: <u>UNECE-ITC</u> Workshop on Advancing <u>Traceability and Transparency in the Beef</u> <u>Industry | UNECE</u>
- UNECE: <u>Business Process Analysis for</u>
   <u>Sustainability and Circularity in the Leather Value</u>
   <u>Chain</u>
- UNECE: <u>Updated Report on the Blockchain Pilots</u>
   Project for the Garment and Footwear Sector:
   Proof of Concept Report: Harnessing the
   potential of blockchain technology for due
   diligence and sustainability in textile and leather
   value chains

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



Business Process Analysis for Sustainability and Circularity in the Leather Value Chain

## Join The Sustainability Pledge





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