







Enabling circular trade in textile value chains: the role of traceability

TRADE AND ENVIRONMENTAL SUSTAINABILITY STRUCTURED DISCUSSIONS (TESSD) Working Group on Circular Economy – Circularity (10:00-13:00)

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

Civil Society

• 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



Do you know how many EU legislations on sustainability will impact the textile and clothing companies?



The UNECE Framework Initiative





+33 consultation meetings+2000 participants



+1000 experts in the wide network



+**190,000** companies represented

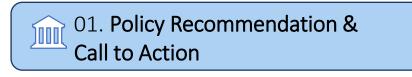


Blockchain pilots +**90 partners** (brands-manufacturers, IGOs, standard setters, academia/startups)



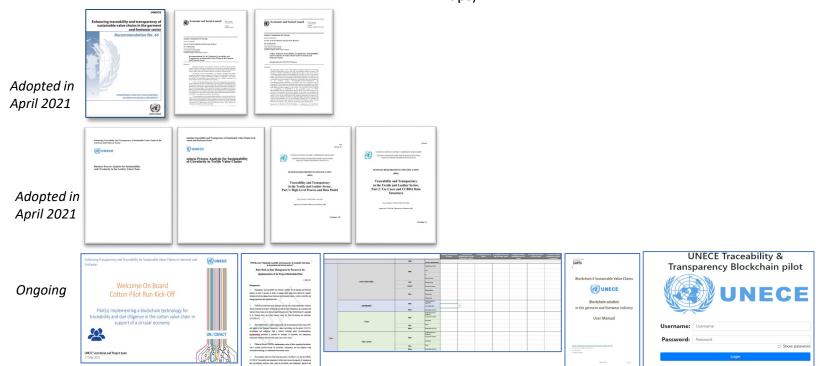
+30 countries

The **Toolbox**



02. Traceability&Transparency Standard & Imp Guidelines

\sim	03. Blockchain Pilots & Capacity	
б	Building	



Project webpage https://unece.org/trade/traceability-sustainable-garment-and-footwear

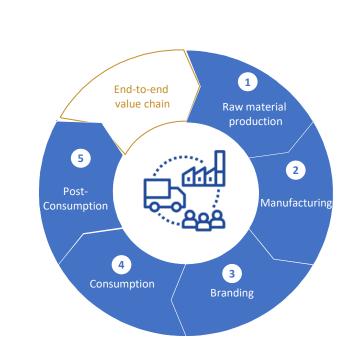


Information Exchange for Traceability and Transparency

Origin/Location Economic Operator Composition/Specification Input/Output Product Facility Process Social Environment Governance Permits Child Labour Input Contracts Forced Labour (Chemical/Pesticides) Compliance to Land Use Water legislation/regulations Work & Social protection Energy Trade Unions & Collective bargaining CO2 Management Sexual harassment Soil /Administration Gender inequality Air Quality Discrimination Thermic Inspections /Certificates Homeworkers Noise Biodiversity Health Deforestation Safety Habitat Waste/End-of-life Animal Welfare

1. Sustainability-related information

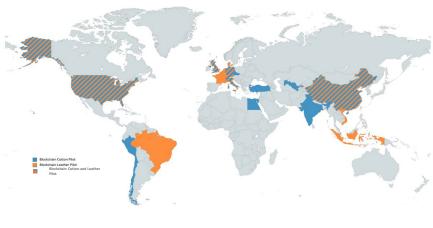
2. Scope covered





Blockchain Pilots

Pilots geographical coverage and key figures



Partners





Overview of products' use cases



19 use cases

95 partner companies

23 countries

106 coaching

sessions

+179 experts trained

Recycled denim jeans



Uzbek cotton T-shirts



Chemical compliant and sustainable leather handbag



Organic shirt



Regenerative Turkish cotton T-Shirt





Low environmental

impact cotton socks

Inclusive Peruvian cotton pyjama

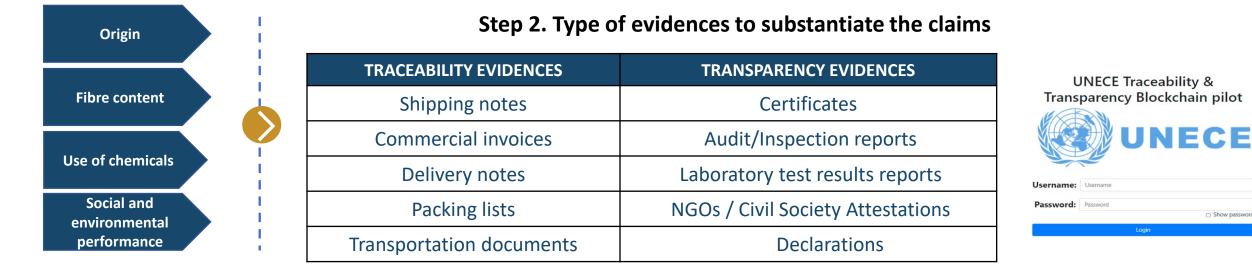




Chemical compliant and sustainable leather sneakers

UNECE Traceability & Transparency Blockchain Pilots

Step 1. Selection of Sustainability Claims

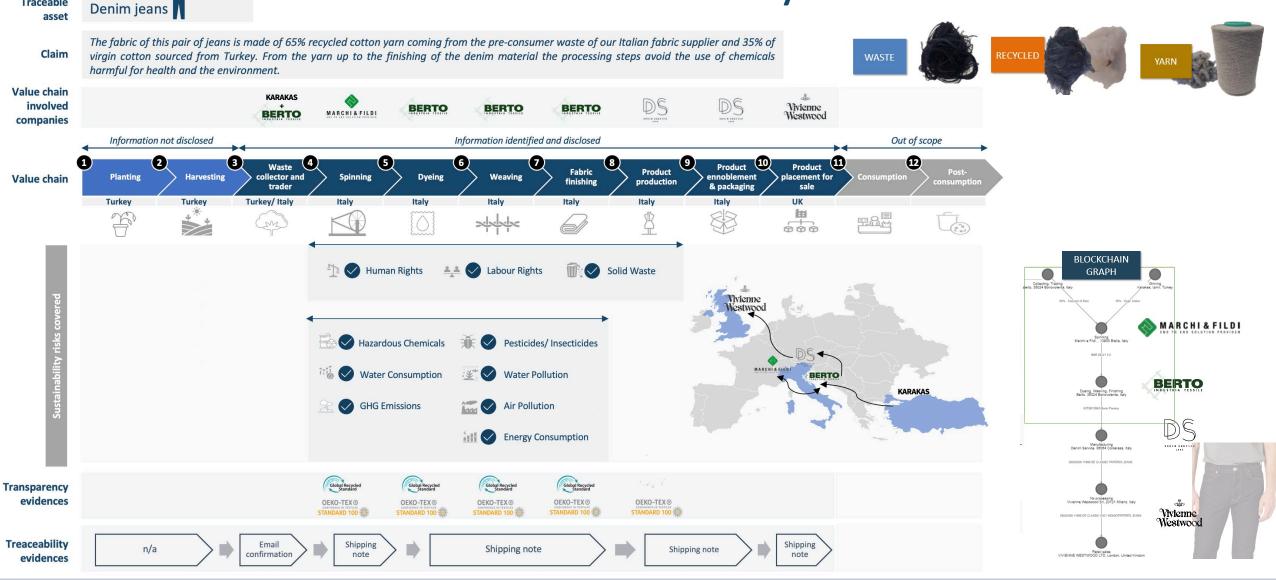


Step 3. Phases tracked and traced with supporting documentary evidence





Recycled denim use case





Traceable

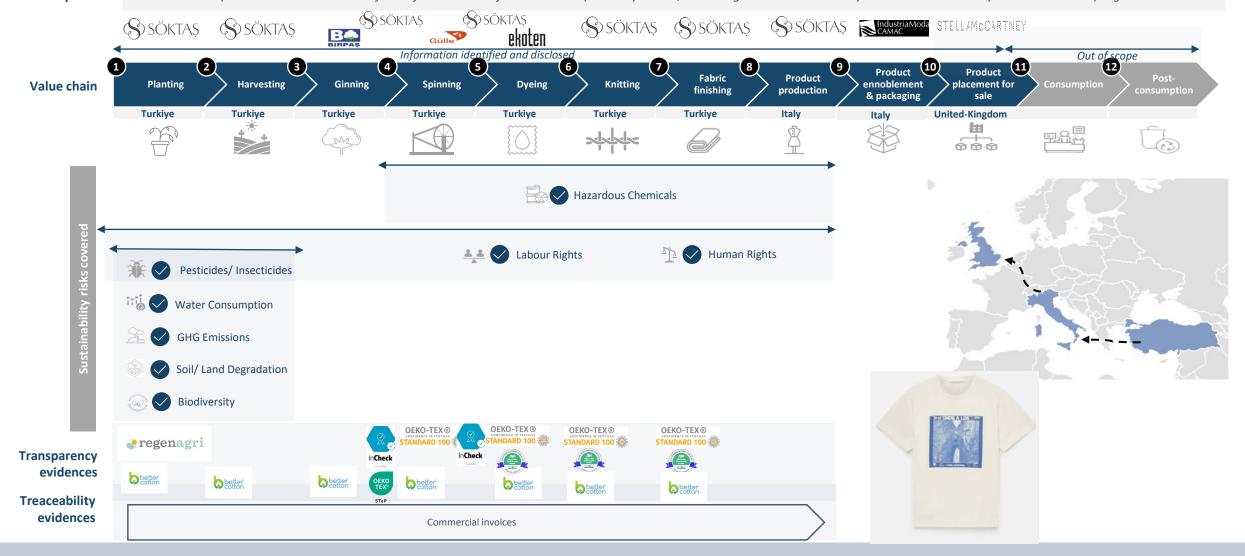
Soktas/Stella McCartney use case

Traceable

asset Regenerative Jersey fabric T-shirt 🁚

Claim to be proven

This t-shirt is made using regenerative cotton grown in Söke, Türkive, using regenerative agriculture principles including (but not limited to) cover cropping, no tillage, adaptive grazing, as well as precision-farming technologies which optimize the use of resources. The garment's value chain has been traced, from fibre to the finishing of the fabric based on the UNECE methodology, and it has been produced without the use of harmful substances for human and planetary health, according to STANDARD 100 by OEKO TEX and in compliance with ZDHC programme.





Project spillovers



UNECE-UNECLAC study on trade of secondhand clothing

Objective:

• Improve the sustainability of used clothes worldwide, in Europe and Chile

Scope:

- Overview of global trends and trade flows of secondhand clothing, root causes of used textiles and policy gaps.
- Executive summary of the ECE-ECLAC study

CIRCULAR ECONOMY



UNECE-UN/CEFACT Product Circularity Data Project

Objective:

- Improving sustainability through product circularity
- Supporting digital product data exchange at postconsumption stage.
- Global scope, cross-industry, reusing existing standards

Scope:

- Aligning with the EU ESPR proposal and the DPP
- Using of the UN Core Component Library subset



Project references

- DG ENV: 2022 EU Textiles Strategy 2022 (Communication)
- **DG JUST**: 2022 EU Corporate Sustainability Due Diligence Directive proposal (<u>Questions &</u> <u>Answers press corner</u>)
- **DG INTPA**: 2022 EU <u>guidance</u> supporting companies to comply with due diligence legislation
- **DG GROW**: 2023 <u>Report</u> on the Transition pathway of the EU textiles ecosystem
 - DG GROW: 2023 <u>Report</u> of the Working Group on Standards for the EU Digital Product Passport

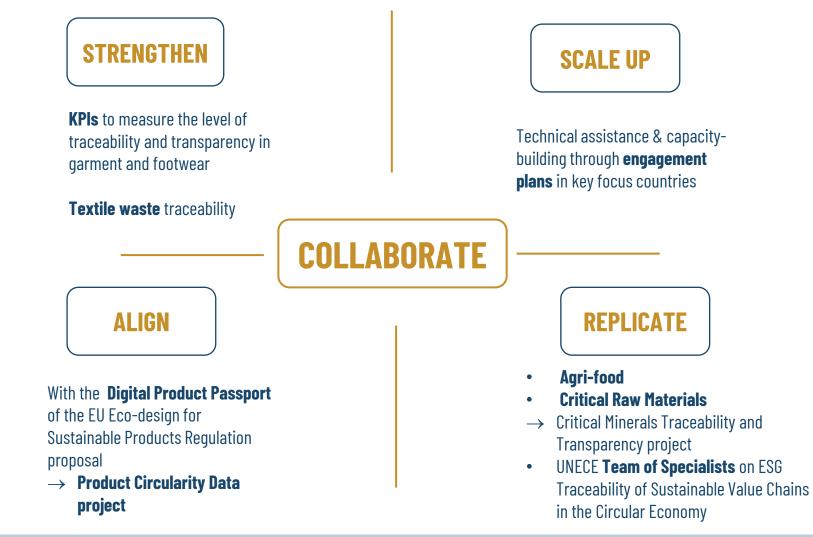
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United for greater traceability, transparency and circularity in the garment and footwear sector

Source Chatham House



What's next & priorities



United for greater traceability, transparency and circularity in the garment and footwear sector

Source Chatham House

Join The Sustainability Pledge





