CEPS

Traceability across circular value chains: How to unlock its potential and mitigate challenges?

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### 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 Textile
- 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

### Calls to Action Post-COVID:
- ILO COVID-19: Action in the Global Garment Industry
- WFF Open Letter
- Global Social Partners Call to Action
- 26 companies, business associations, and initiatives make joint call for EU mandatory human rights & environmental due diligence

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

Minimizing risks and costs, complying to voluntary and regulatory requirements, responding to social demand….
Drivers for traceability and transparency for sustainability and circularity

**Governments**
Will be having the information they need to better regulate the sector

**Producers & Workers**
Will protect producers from false claims of provenance and expose companies that exploit workers

**Consumers**
Will have access to information for informed purchases

**Businesses**
Will be able to market and verify their sustainability claims

**TOOLBOX**
- **Policy model** (Recommendation No46, Guidelines, Call to Action)
- **Business and data model** (the info exchange standard)
- **Technology Model** (Blockchain pilots)

**TARGETS/BENEFICIARIES**
- Policymakers
- Business analysts
- Data system designers
- Opinion makers
- Garment & footwear makers
- Sustainability analysts
- Tech solution providers
- Service providers
- Data analysts

**Consultation**
- +250 project experts
- +33 meetings
- +780 experts in the wide network
- +190,000 companies represented
- +30 countries

**Wide network**
+30 countries

**Participants**
+2000 participants

**Experts**
+780 experts in the wide network

**Companies**
+190,000 companies represented
1. Policy Actions, Norms & Standards
   a) Harmonized policies and regulations for **policy coherence**
   b) **Minimum levels of traceability**, from raw materials sourcing, for products, processes and facilities
   c) Companies’ efforts to embrace **higher transparency**
   d) Reduced implementation burden through use of **international standards** and use of **existing data**

2. Incentives
   e) **Economic and fiscal**
   f) **Non financial**: sustainable procurement, fast customs clearance, specialized **training**, **IT investment** and **technology transfer**, non-financial reporting requirements, public visibility, peer learning

3. Research & Development, Innovation:
   i. **Sustainability/circularity** production and consumption processes
   ii. Provenance and authenticity **tracing solutions** for products
   iii. Increased products’ lifespan
   iv. **Sustainable material**
   v. **Recycling, reusing, redesigning**

4. Awareness and education:
   i. Informed choices
   ii. Awareness of the **shared responsibility**
   iii. Increase demand for sustainable materials, products, processes

5. Multi-stakeholder collaborative initiatives:
   i. **Global open-source knowledge platform**
   ii. **Multi-stakeholder policy dialogues**
   iii. **Pilot projects** for innovative approaches and **advanced technologies**
Harnessing the potential of blockchain technology for due diligence and sustainability in cotton and leather value chains

**SERVICES**
- Blockchain-based solution
- Physical tracers
- Certification bodies
- Academia, Think-tanks

**PARTNER**
- Producer
- Trader
- Supplier
- Retailer

**MATERIAL VALUE CHAINS**
- US cotton
- Egyptian cotton
- Recycled denim
- ....
Thank You!

Join the #TheSustainabilityPledge

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