

# Transparency and Traceability for Sustainable Value Chains

Accelerating action for sustainability in the Garment  
and Footwear Industry

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30| 01 | 2019, Geneva



# Garment and Footwear Value Chains

- GLOBAL
  - Global Value Chains: Main feature in international trade
  - Lengthy lead-times
  - Driven by big retailers and traders
- COMPLEX
  - Multi-stakeholder
  - First stage of value added manufacturing for many low income countries
  - Small and scattered production facilities
  - Short product lifecycles
  - Minimum production quantities

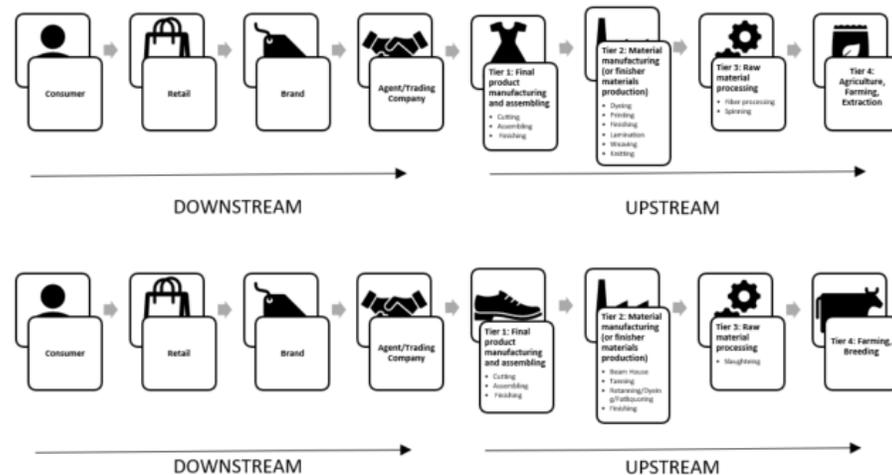


## THE INDUSTRY IN NUMBERS

80 bln garment pieces  
More than 60 mln direct jobs  
50% MSMs

Source: GFA, BCG, EU, 2017

Overview of the typical key nodes in the garment and footwear value chain



# Textile and Leather Value Chains

**10%** of substances of concern to human **health**

**25%** of **chemicals** applied in T&L industry

**8%** of **skin diseases** caused  
by textile and footwear (a key H&S issue  
in tanneries)



**79 mln** m<sup>3</sup>/year of **water** Consumption

**1, 715 mln** tons/year **CO<sub>2</sub>** emissions

**92 mln** tons produced **waste**

**20%** only **recycled**

Minimum **wage**  $\frac{1}{2}$  of living wage

**5.6 injured** per 100 workers/year

**87%** non compliance with minimum  
wage for **women** in certain countries

For sustainable value chains

# Global and regional initiatives



Guiding Principles on Business and Human Rights



Directorate-General for International cooperation and Development (DG DEVCO)



BETTER WORK



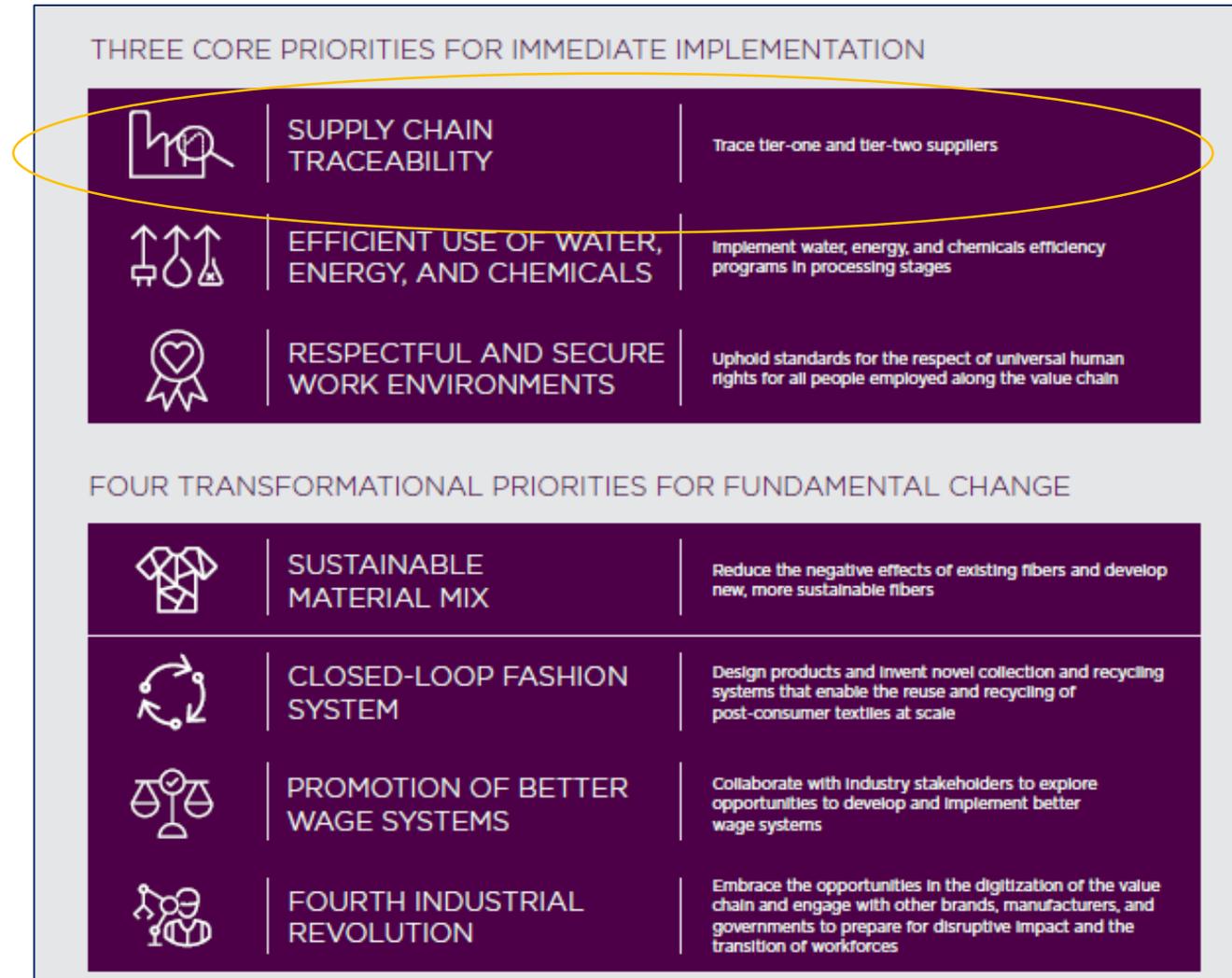
United Nations Environment Programme



Due Diligence Guidelines for Multinational Enterprises



# Sustainable Value Chains



# Engaging with the business sector

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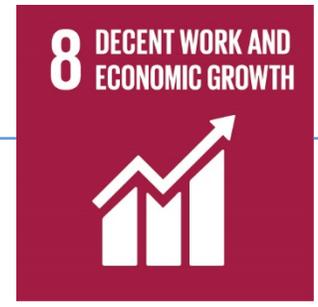


Source: UNECE Survey 2018



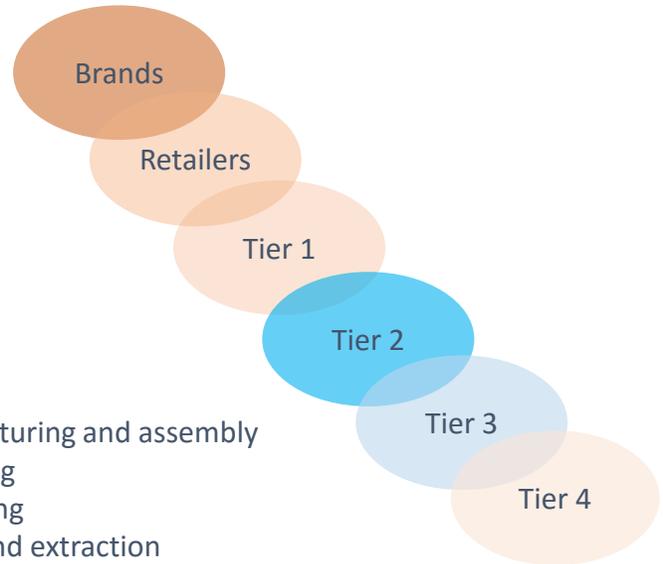
# The UN/CEFACT Initiative

Focus on Transparency and Traceability

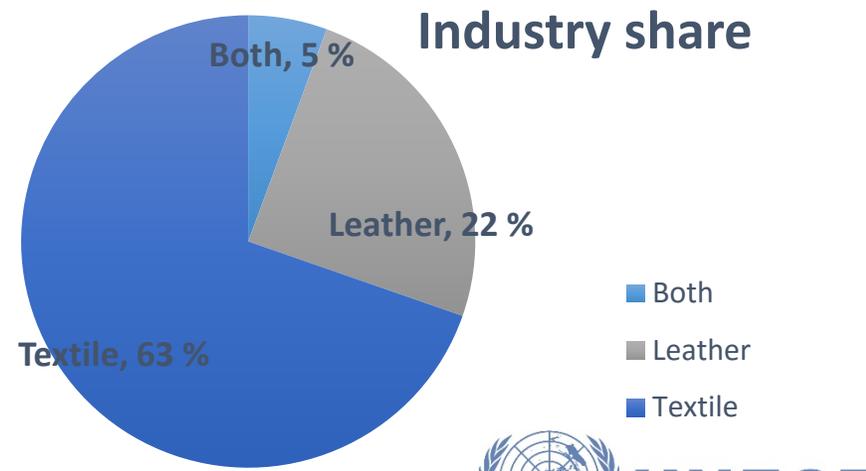
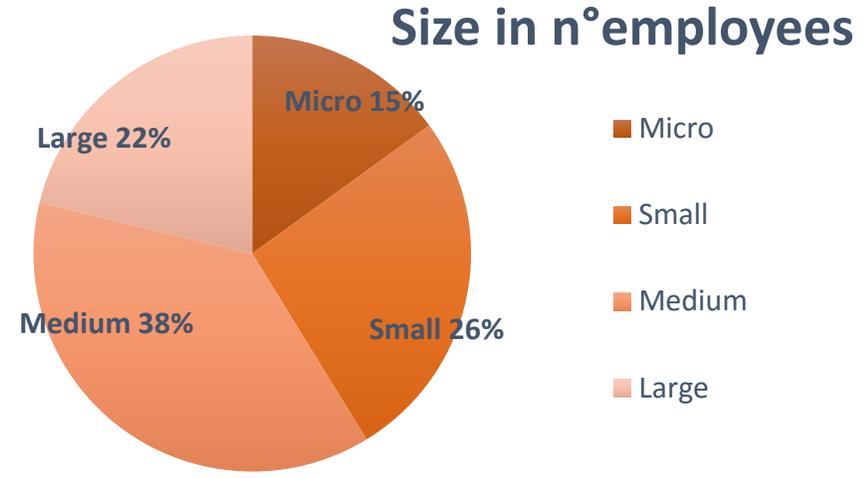


**100+**  
Respondents

From **all over the world**  
Representing both the **textile** and **leather** industry  
Covering the entire **value chain**



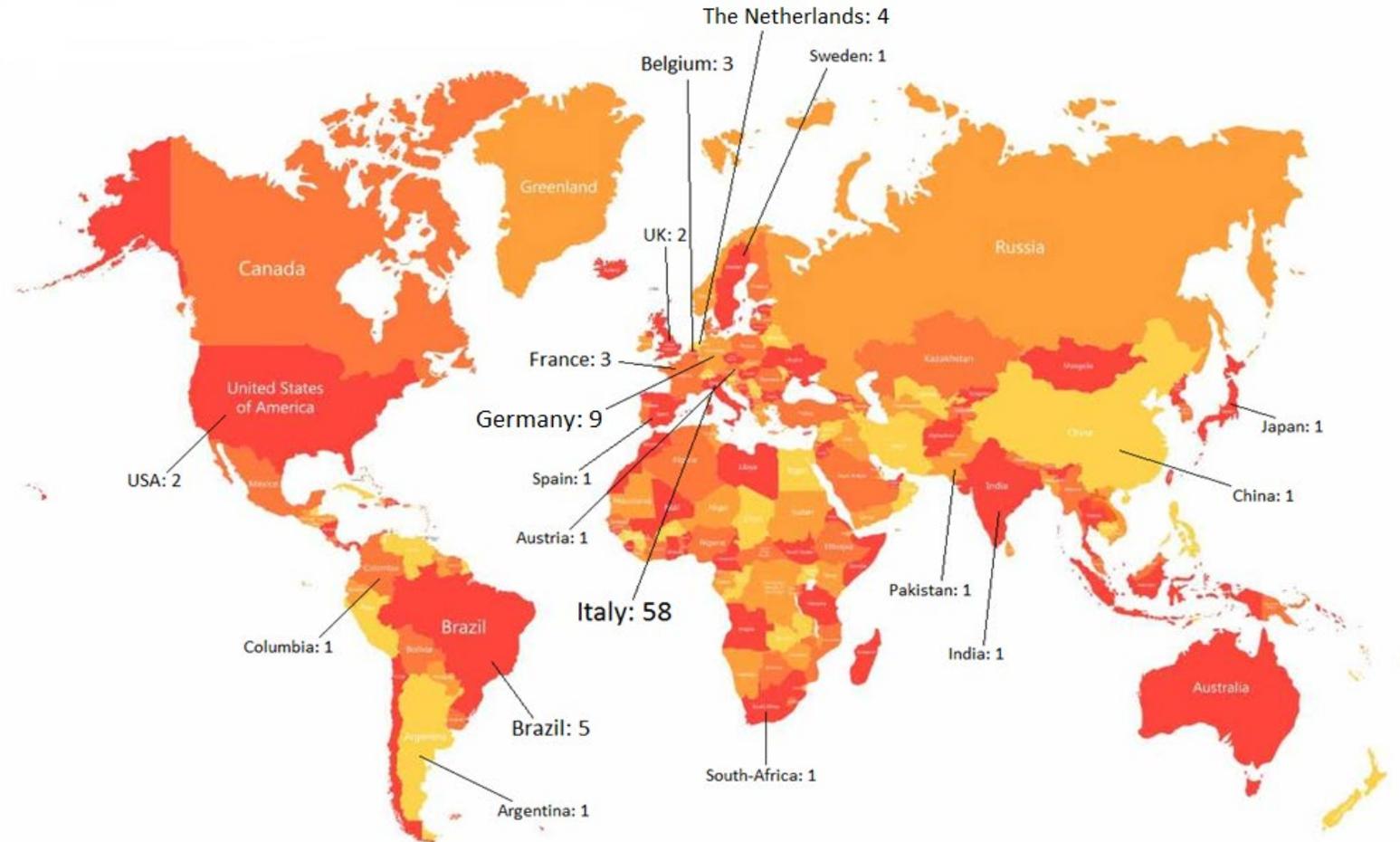
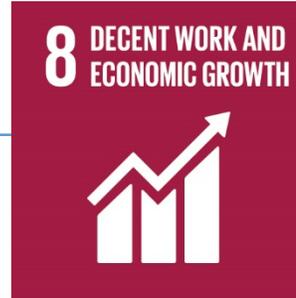
Tier 1: Final product manufacturing and assembly  
 Tier 2: Material manufacturing  
 Tier 3: Raw material processing  
 Tier 4: Agriculture, farming and extraction



The Survey

# The UN/CEFACT Project

Focus on Transparency and Traceability



Source: UNECE Survey 2018

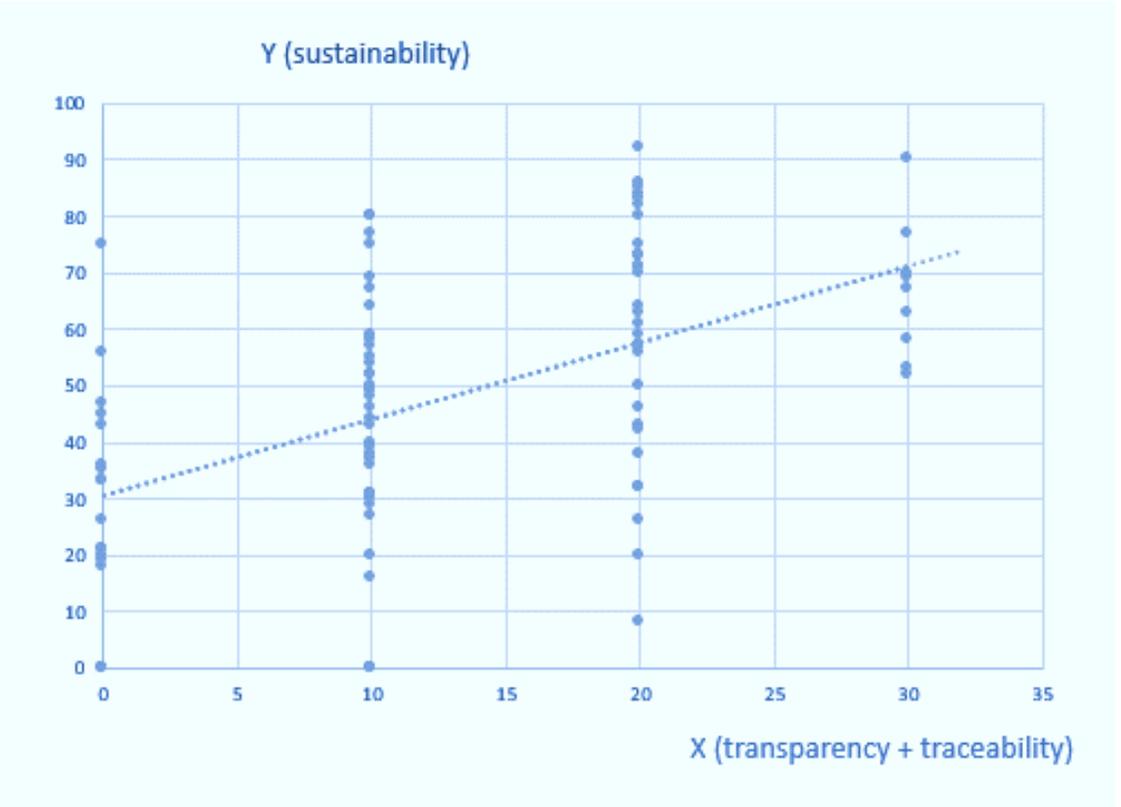
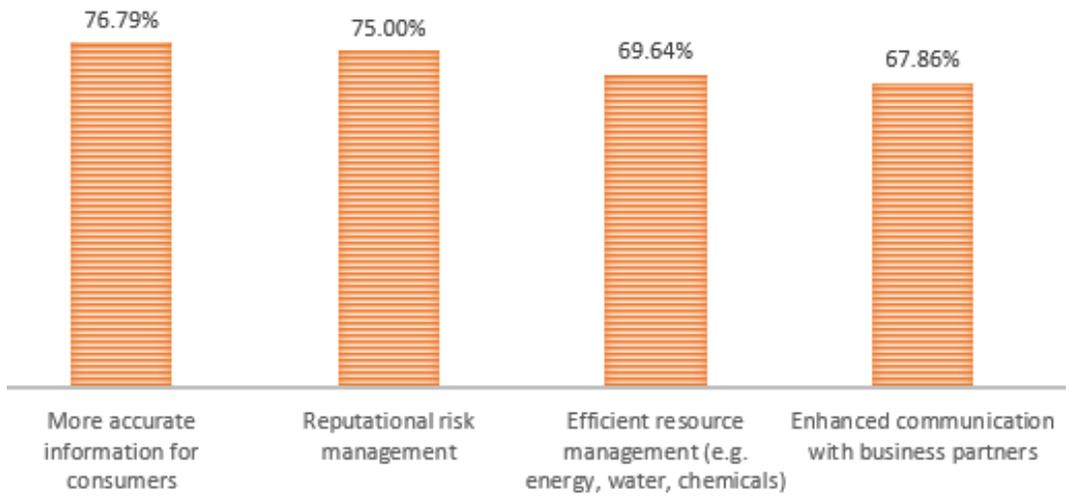


# The UN/CEFACT Project

Why Transparency and Traceability?



## A **priority** for the industry



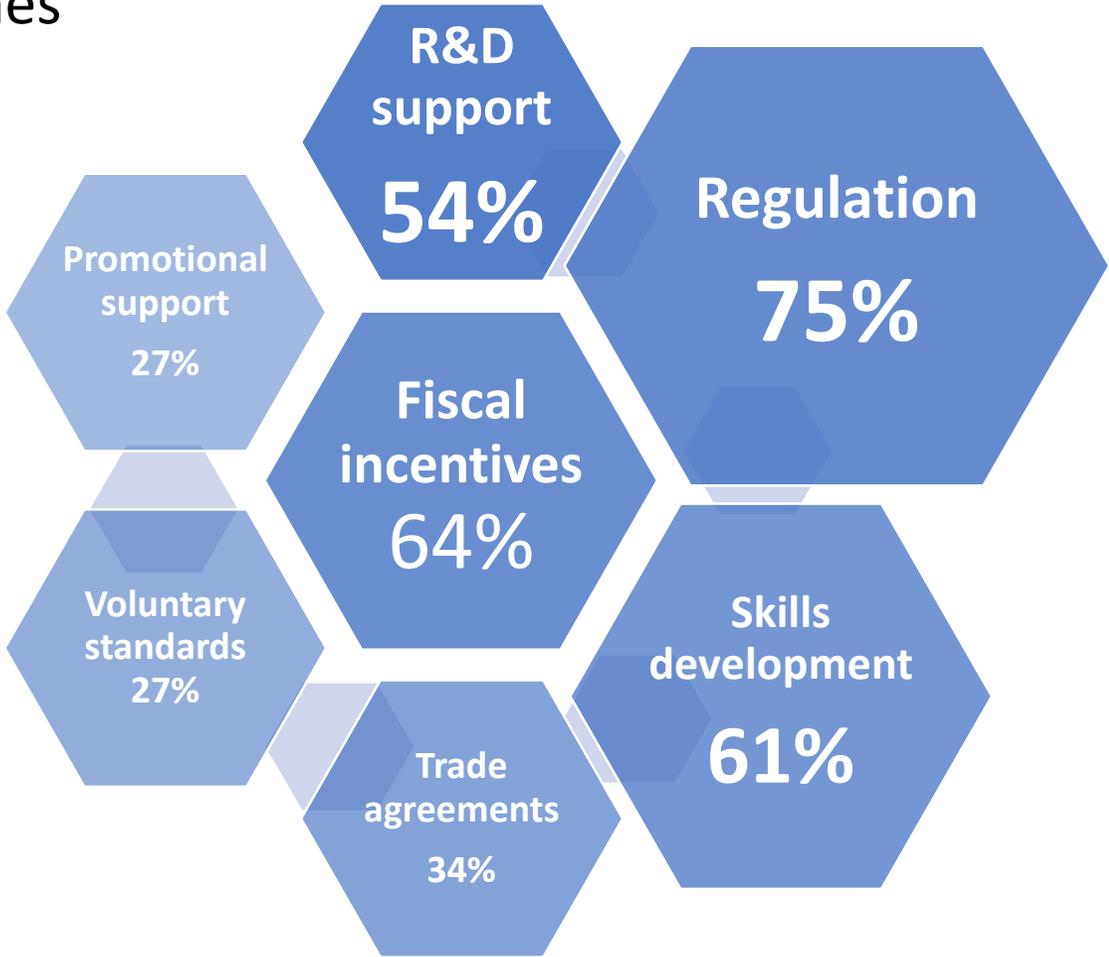
Source: UNECE Survey 2018



# The UN/CEFACT Project

Why Transparency and Traceability?

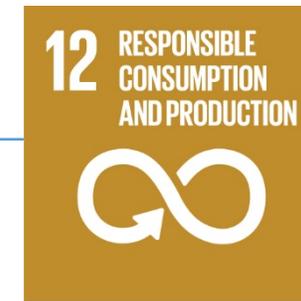
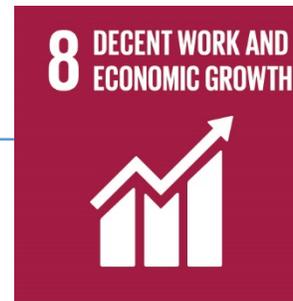
Possible **policy** approaches



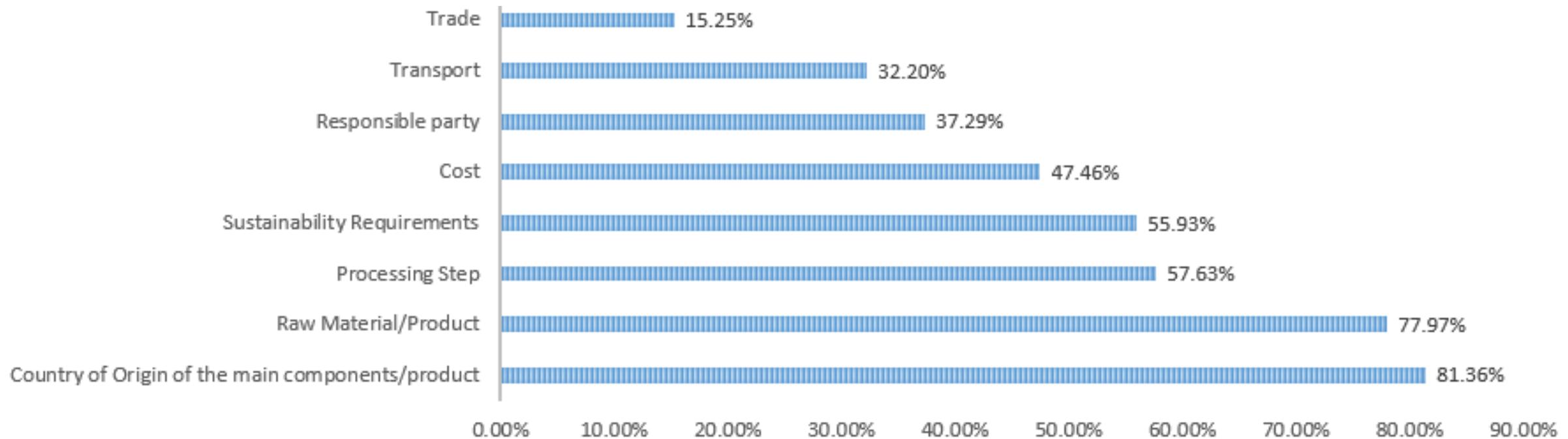
Source: UNECE Survey 2018

# The UN/CEFACT Project

Why Transparency and Traceability?



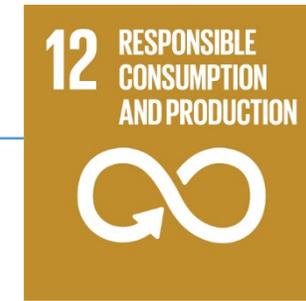
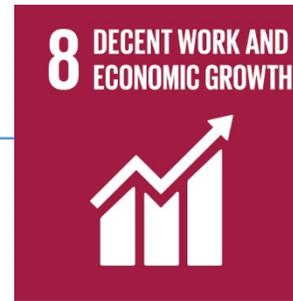
## Key **elements** of a robust traceability scheme



*Quote: "In order to have a robust system, the necessary information should be complete and must be 1. obligatory by law, 2. certified by an internationally recognized certification system and supported by strict testing systems, 3. ensure product sustainability, and 4. should be easy to implement across a large supply base."*

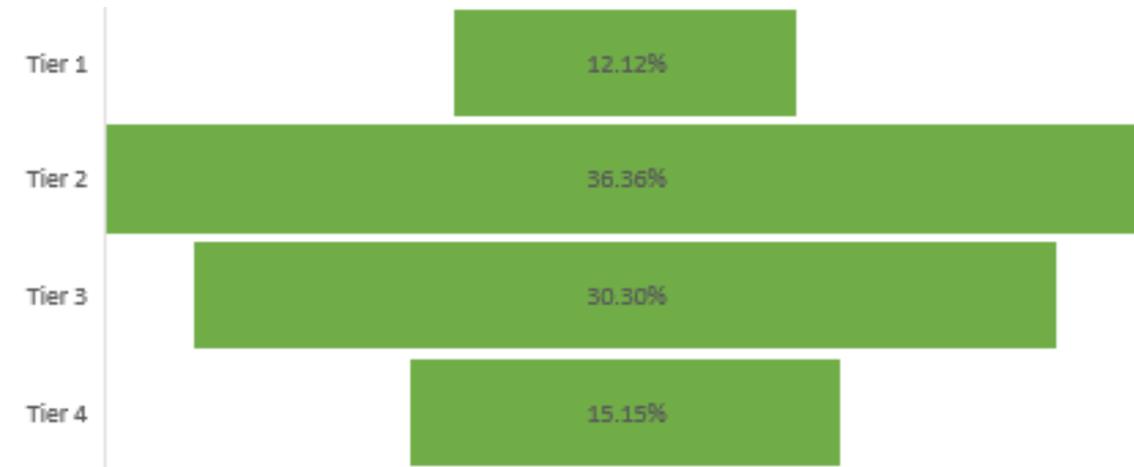
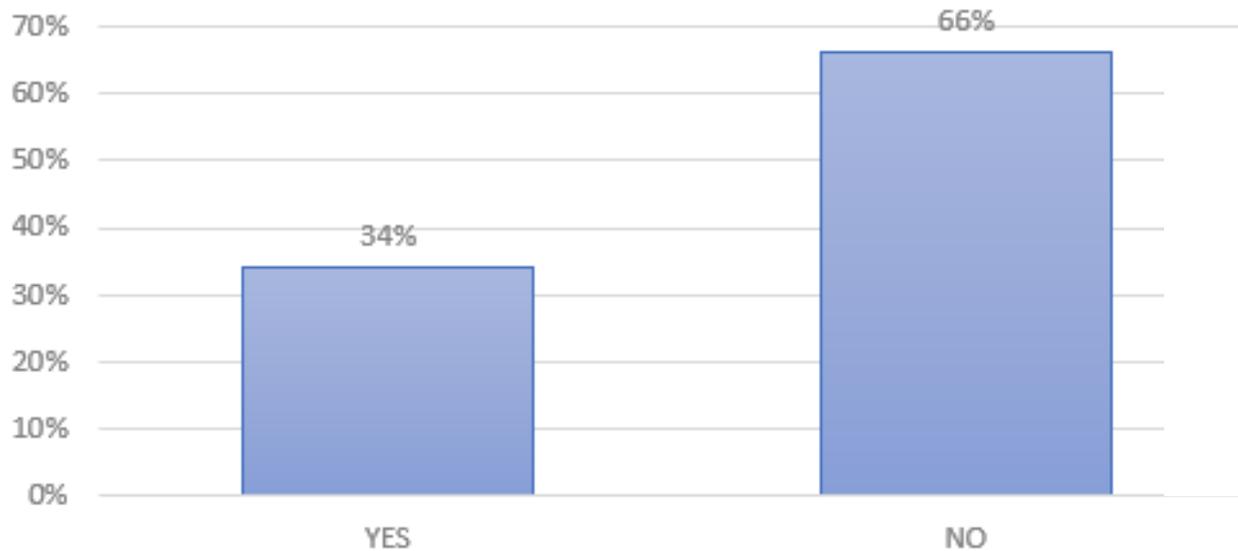
# The UN/CEFACT Project

Why Transparency and Traceability?



Does the industry **track and trace** its value chain?

And if so, until which **tier**?



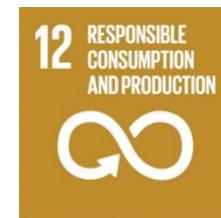
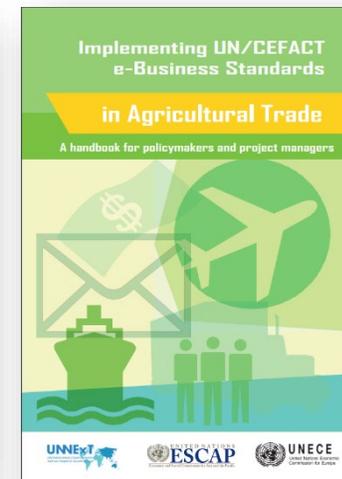
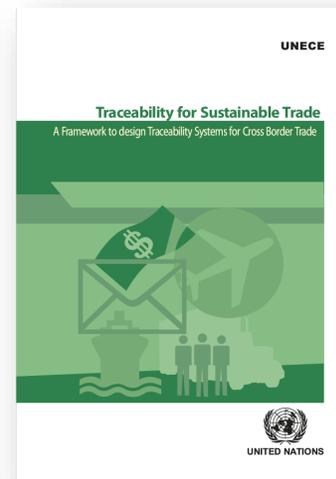
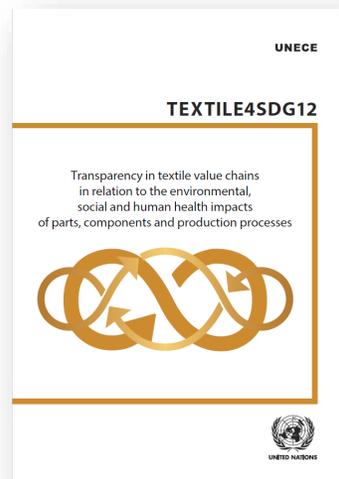
How to enhance transparency and traceability?

POLICY RECOMMENDATION & DIALOGUE PLATFORM

TRACEABILITY STANDARD AND IMPLEMENTATION GUIDELINES

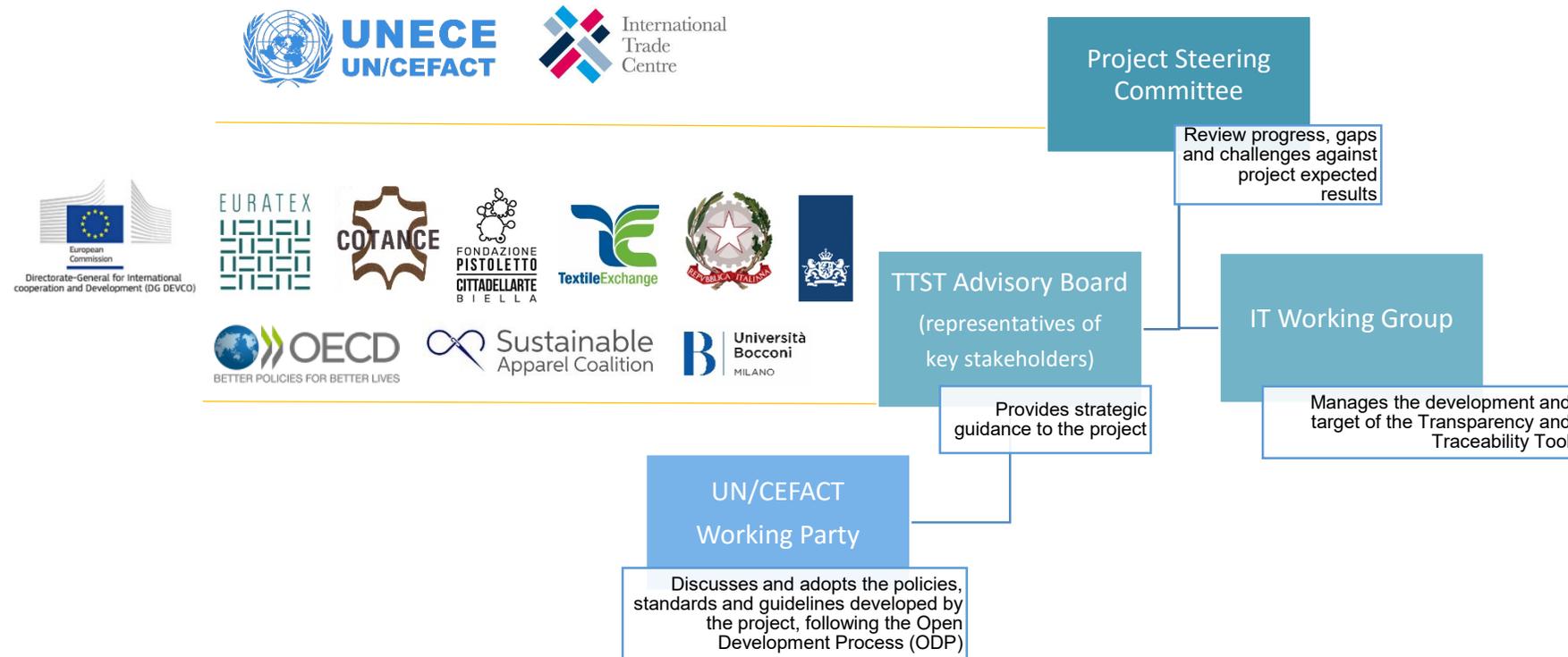
PILOTING AND CAPACITY BUILDING

Previous experiences and publications



# Project Governance

## Partnerships for the project



## Next Steps

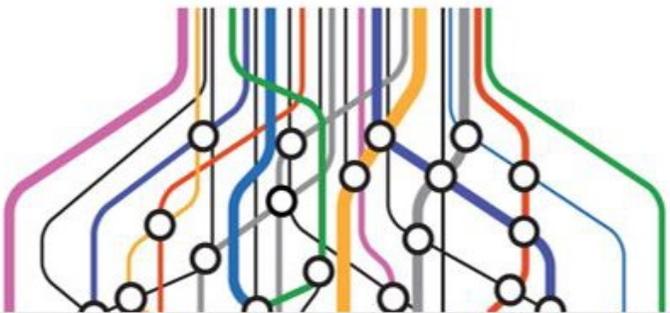


- Survey Questionnaire on Traceability for all relevant business partners
- Call for Interest and establishment of Groups of Experts by Project Component
- Project meetings at OECD Due Diligence Forum on 12-14 February (Paris)
- Experts Groups meetings at UN/CEFACT Forum on 5 April (Geneva)





**UN / CEFAC**



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Thank you!