









Digital transformation based on ICT innovations for the development of the digital economy

Approaches of the UN System to support digital transformation

15 December 2021 – 13:00 – 14:30 CET ITU and the State University of Telecommunication of Ukraine

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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

2. Actors/ Enablers

Social forces

Market forces

Regulatory forces

Technological forces

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

3. UNECE toolbox



Policy Model



Business & Data Model



Technology Model

Law makers

Responding to civil society demand for greater transparency and traceability



Technology

New digital and physical technological innovation reduce barriers and costs





Blockchain Pilots

Harnessing the potential of blockchain technology for sustainability and due diligence in cotton value chains

Cotton Pilot 2 Cooperatives/farms/traders 21 Manufacturers/suppliers **Brands/Retailers 2** Standard-setting bodies Academia-think tanks/Plat. **I** 1 DNA marker provider

3

1

UNECE Pilot Leadership



> 60 Pilot partners End-to-end VC traceability



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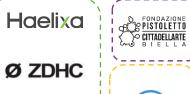
18 Countries in Africa, Asia, Europe, North and South America



Leather Pilot

10s

Raw Material prov./traders Manufacturers/suppliers **Brands / Retailers** Certification bodies *Industry associations* Ceramic marker provider NGOs *R&D* and testing centre



















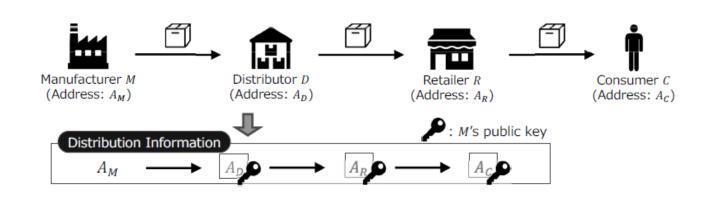




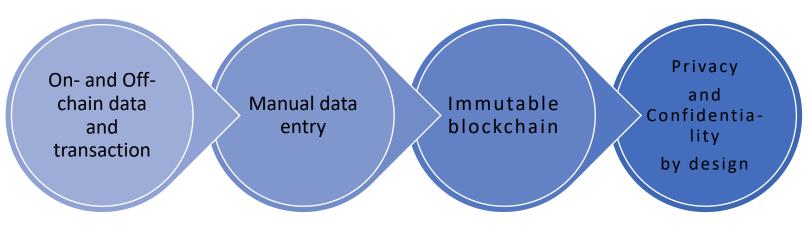




Blockchain features & functionalities













SELECTION OF PRODUCTS AND CLAIMS TO BE TESTED





SLIM SHIRT Season SS21



CLAIMS

Traceability of Origin

Organic Content

Traceability of Origin

Recycled Content

Chemical Compliance











The flow of data – Recycled Denim

Value Chain

2. Cotton 7.Fabric 4. Spinning & 5. Dyeing, 8. Garment or 9. Product 10. Placement harvest finishing, transfer to bleaching, 3. Ginning & 6. Weaving & product **Enoblement &** 12. Post dentification of product in 1. Planting and Recycled other transfer to washing & transfer to production & packaging and dyer, Consumption stores or oncultivation of cotton & transfer treatments & denim transfer to fabric finisher transfer to transfer to and disposa spinner bleacher, line for sale from farmer transfer to washer weaver ennoblement "retailer" to ginner manufacture Information identified but not Information identified and disclosed Out of scope disclosed Vivienne Marchi e **Denim** Karakas + Denim Companies **Berto Srl** Westwood **Berto Srl Berto Srl** Fildi SPA Service Srl Service Srl **Berto Srl** Srl OEKO-TEX® OEKO-TEX® OEKO-TEX® CONFIDENCE IN TEXTILES

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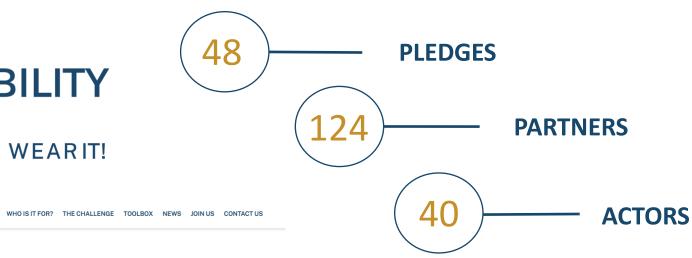
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Pledges, Actors & Partners





Total





Actors Breakdown

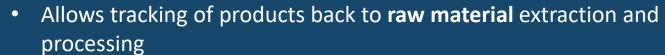






Towards an enabling environment





• Enables manufacturers to create **product digital and physical twins**



- Benefit market surveillance and customs authorities
- Make reliable information available to **policy makers**
- Link **incentives** to sustainability performance



- Allow **citizens** to have access to relevant and verified product information
- Enables services related to circular business models



#TheSustainabilityPledge



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