

UNECE-SDA Bocconi Regional Workshop 21-23 September 2021

MODULE 6, Part 1 **Business Process Analysis for Sustainable and Circular Textile and Leather Value Chains**

What is Business Process Analysis?

22 SEPT, 11:30-13:00 CEST

Virginia Cram-Martos
UNECE Project Expert – CEO, Triangularity S.L.

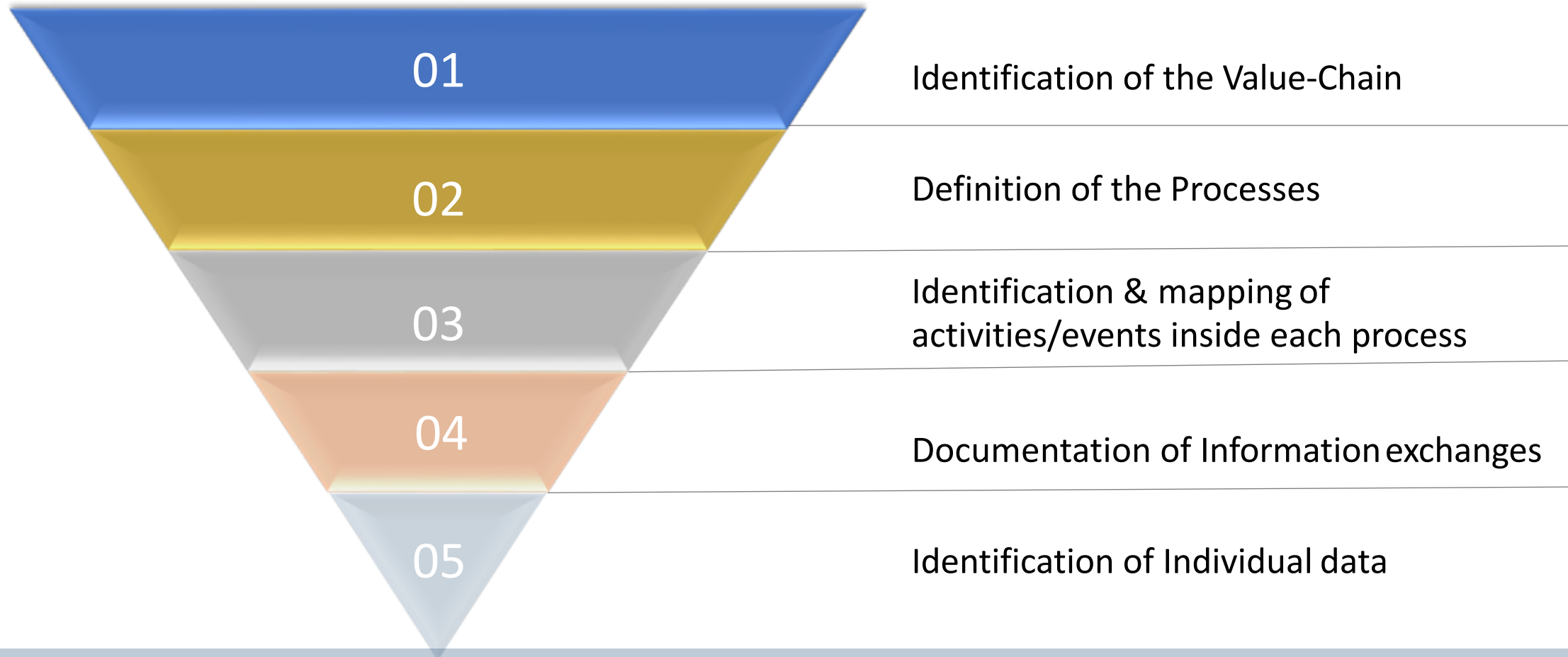
Claudia di Bernardino
Partner at TMSHELL Law Firm
UNECE project legal consultant

What is Business Process Analysis?

- **Business Process Analysis (BPA) Fundamentals**
- **Challenges in BPA Development**
- **Defining Sustainability Claims with Credibility and Traceability in Mind**
- **Sustainability Claims – The Way Forward**

What is Business Process Analysis (BPA)?

It is a top-down analysis of a value chain in 5 steps



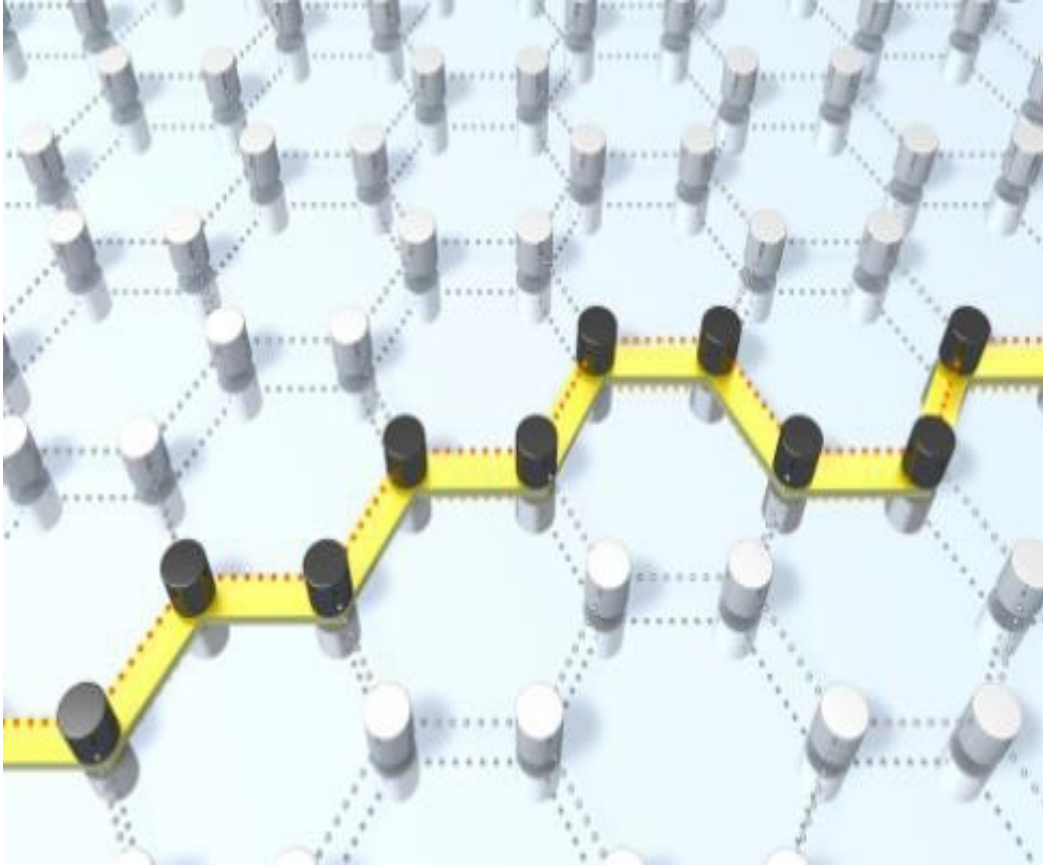
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Why are we analyzing information exchanges and data?



If you have identified the data you need for transparency and traceability

- The cheapest way to obtain that data is to identify existing information exchanges where it is included (invoices, purchase orders, bills-of-material, transport documents, etc.)

A BPA can identify these existing data sources so they can be linked to events (process activities) and their 5Ws (traceability information)

If collecting data from multiple value-chain partners a BPA can help ensure

- ✓ That they are all reporting the same thing (i.e. they are using common definitions and unique IDs/standard codes) and
- ✓ That the parties who need to retrieve data can do so easily and can understand the data they find (in a shared, central or distributed database) or are given (based on requests to trading partners)

Business Process Analysis (BPA) Step 1

Step 1 - Identification of the Value-Chain

Deciding upon which: Material(s), Processes & Partners

01



When making these decisions, you need to ask:

- What is the objective of the BPA?
- Which value chain will allow the identification of the greatest number of processes and activities linked to the objective?
- Which value chain has the partners that will be most willing to support this effort?



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Business Process Analysis (BPA) Step 2

Step 2 – Definition of the processes

01

Setting the framework for the rest of the BPA

02

This is a key step and requires identifying all of the distinct processes inside of a value chain

To the greatest extent possible, each process should be self-contained with beginning and end points that do not overlap with other processes

The complexity of the process should be moderate, so that the diagrams in step 3 are 1 to, máximo, 2 pages. If a process is too complex, it should be divided up.



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Example of Business Processes in a Value Chain

Cotton Value Chain



Then you add the actors to create a high-level view of the value chain

The tool for documentation is a **Use Case Diagram**



Business Process Analysis (BPA) Step 3

Step 3 – Identification and mapping of activities/events inside each process



This step identifies the

- Actions / activities undertaken
- Who does what
- Sequence of actions
- Information flows

It can help the analyst to uncover repetitive or unnecessary activities



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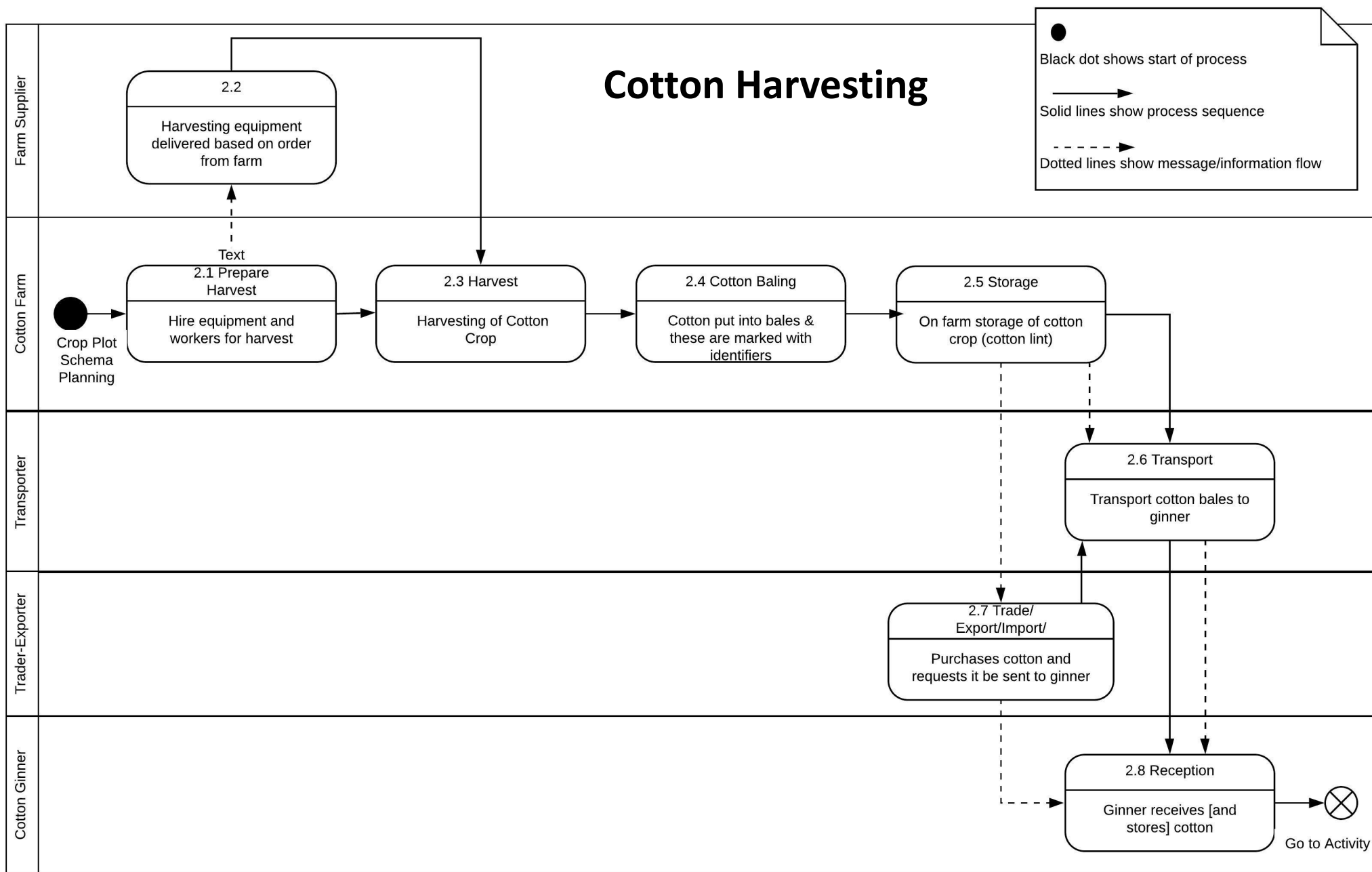


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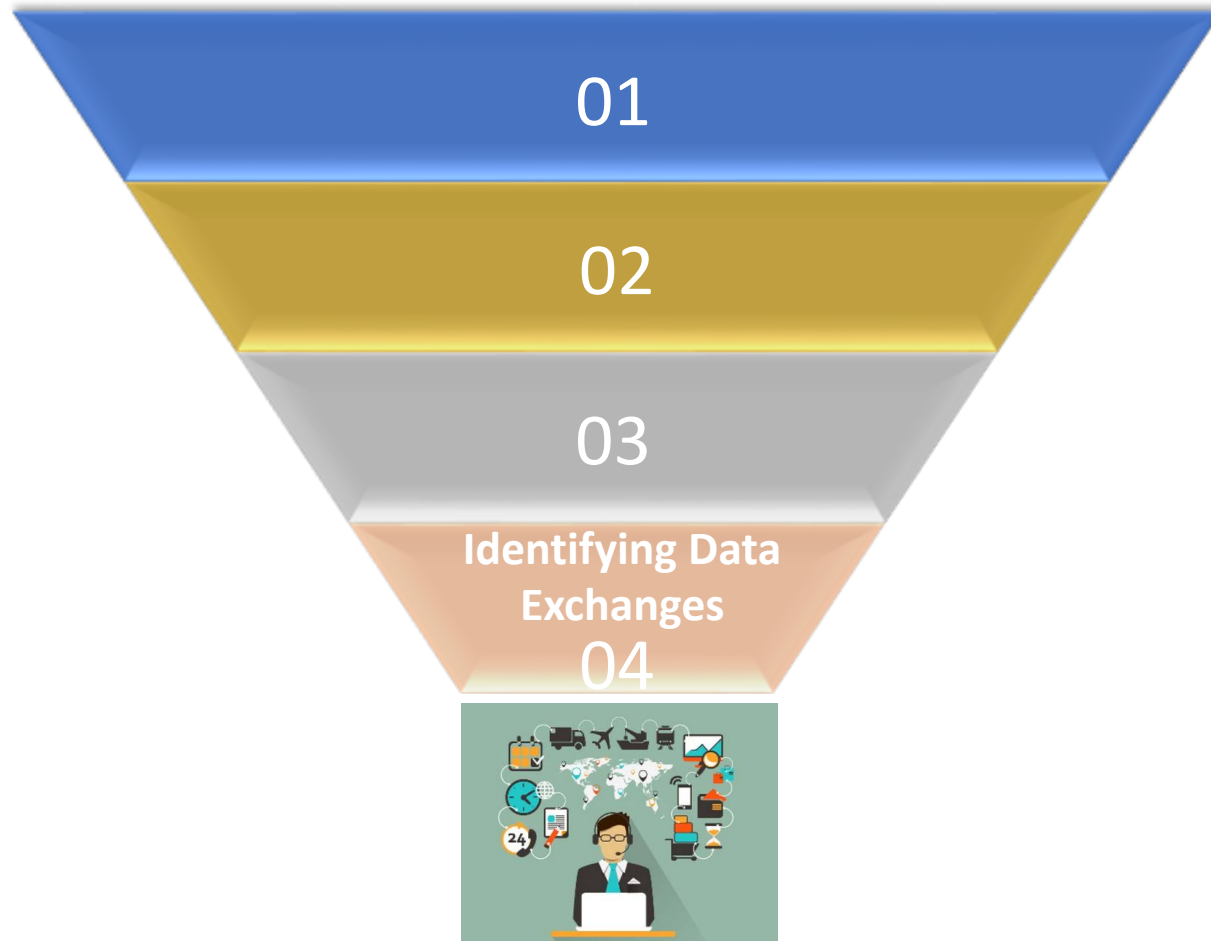
A visual story showing the activities inside of a process

Done with an activity diagram



Business Process Analysis (BPA) Step 4

Step 4 – Documentation of information exchanges



- A **Business Process Description** is used for this step.
- It describes, in text, “the story” behind the activity diagram and any information exchanges, including documents and emails

Business Process Description Form – Part 1

Value chain	Cotton Value Chain				
Business process activity	1. Cotton Planting and Cultivation				
Participants	Cotton Farm, Farm supplier, Farm Cooperative				
Input and criteria to begin the process	<p>Information available for crop planning.</p> <p>This is <u>what has to be completed before this process can begin</u>. For example, for spinning, the cotton has to have been ginned and delivered to the spinner before the process can start</p>				
Parallel Processes	List any processes that can be undertaken either completely or partially in parallel with this process.				
<u>The Activity</u> An Identifier (number) for the activity in the activity diagram	<u>Description</u> Needs to mention <u>all of the participants</u> to this step in the process	<u>Periodicity</u> When and how often	<u>Required Documents</u> + Who sends doc/info to who <u>Includes entry of data into computer systems</u> Examples of all documents or images of data entry screens (screenshots) should be collected	<u>Required Other Information</u> Communication method + Who sends info to who For example, emails or SMS messages	<u>User Stories</u> A user story talks about an individual actor in this activity. For example, the truck driver (not the transport company) or the inspector (and not the inspection company) There can be more than one User Story for an activity <u>In this column you can say what is the goal the actor and the benefit from realizing that goal</u>
	1. 1 Crop planning by the farmer. Farmer plans cotton crop and plans initial seed and fertilizer orders	Yearly in January	Plan made and kept by farmer	None	Individual (as a): farm owner Goal (I want): to have the largest possible crop at the best time Benefit (so that): My farm can be profitable and support my family

Business Process Description Form

– Part 2

Output and
criteria to exit
the business
process

The cotton is ready for the farmer to harvest it.

The criteria to exit usually becomes the input criteria for the next process

“Common”
exceptions /
problems

Poor weather results in loss of crop

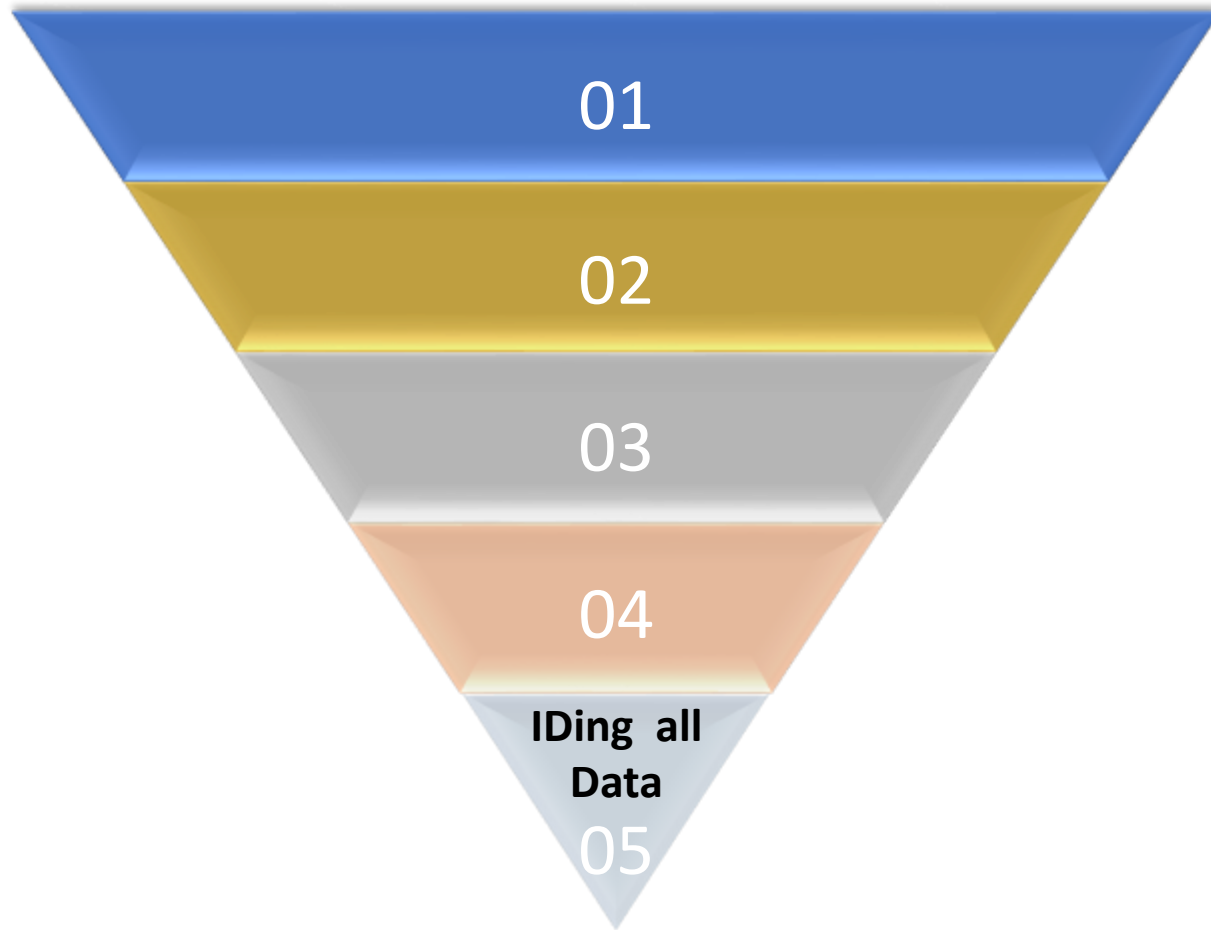
Circular
economy related
observations

For example, if there are waste products from this process that could be re-used and/or if one of the inputs could be a recycled product

Other
Observations

Business Process Analysis (BPA) Step 5

Step 5 – Identification of individual data



This step is the most detailed and has 2 main parts

- Identify which documents or information exchanges are used by more than one process
- Identify each of the data elements in each document/information exchange

This is a lot of work; however, it may be possible to shorten this step

When can you shorten this data identification step?

1. For **Traceability**:

When you already know which documents contain the information to be used for traceability, for example, invoices, bills of lading, etc. Then you only need to:

- i. Identify the data in the selected document(s)
- ii. Identify every process activity where this document is used or generated
- iii. Ensure that all parties have and include the necessary information in the documents they issue
- iv. Identify where controls are needed to ensure data validity
- v. Ensure that there are no “gaps” between activities or processes where the product information “trail” could be lost (or modified)

2. For **Sustainability**:

When you already know either which existing documents contain the needed sustainability data or which new documents will be required. In this case, only the 4 steps under 1 above are needed for the documents in question



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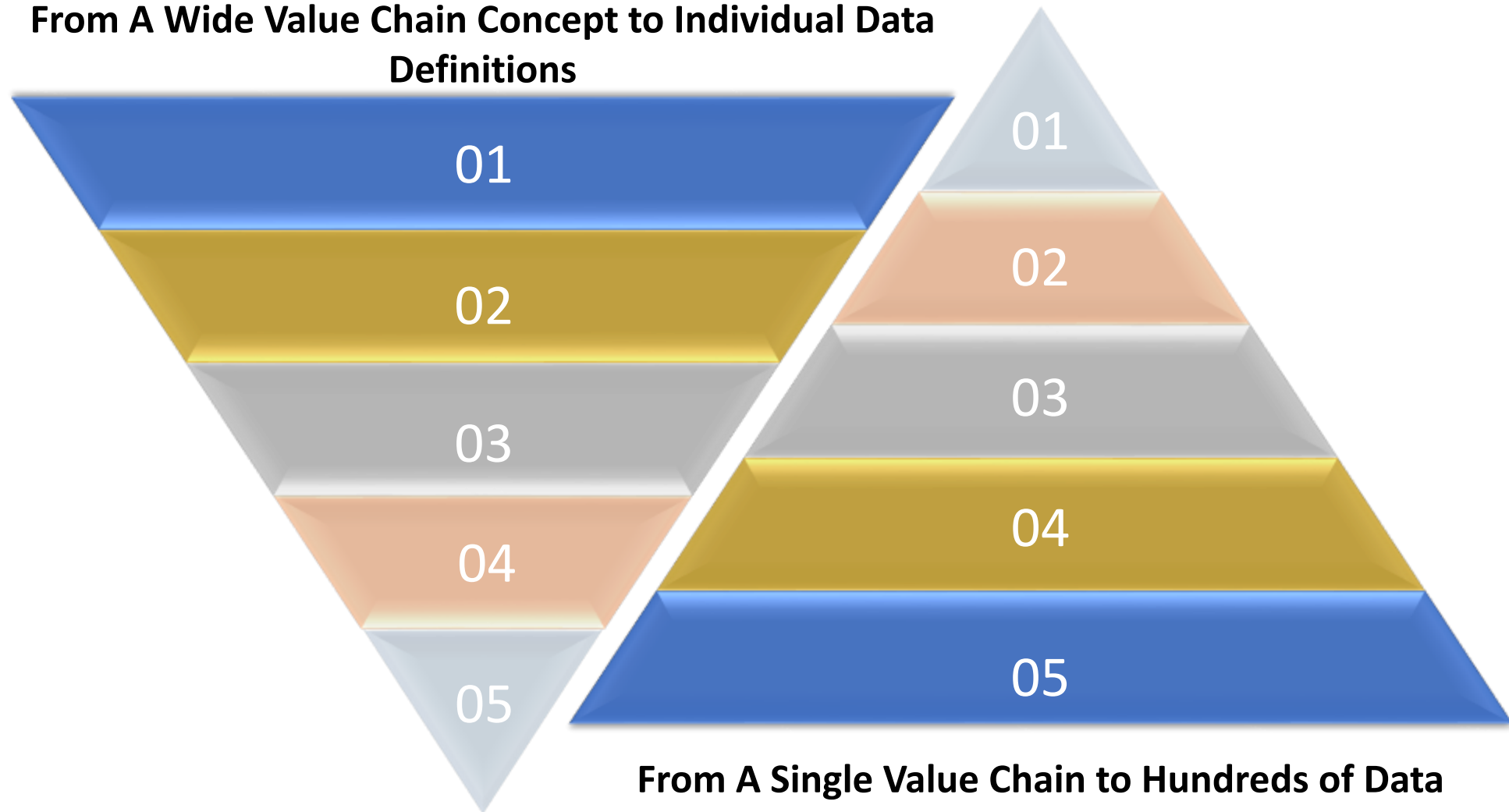


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The BPA Paradox

From A Wide Value Chain Concept to Individual Data Definitions



From A Single Value Chain to Hundreds of Data



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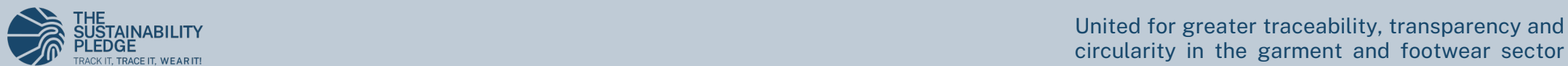
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We now have a complete analysis of the current situation

How can we use this to move toward
a system with traceability and
transparency?

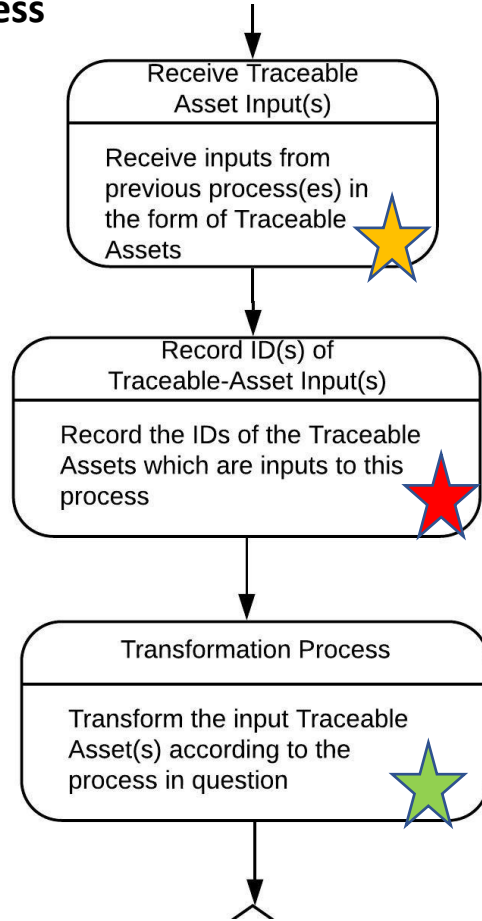
Which shows the processes and activities
Needed for any traceability and transparency system



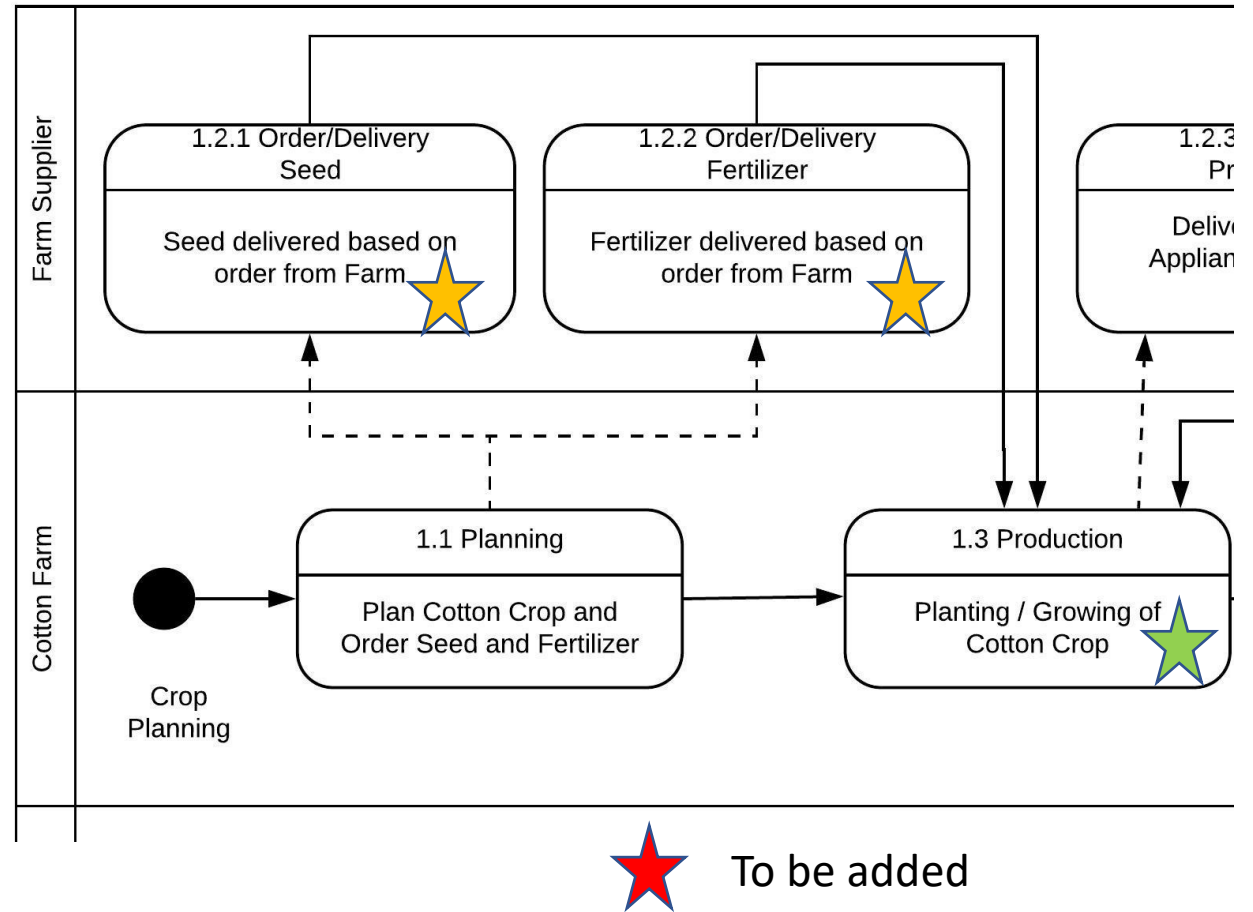
New Actions or Information that are needed can be identified

By comparing the Existing Value-Chain Process to the Generic TT Process

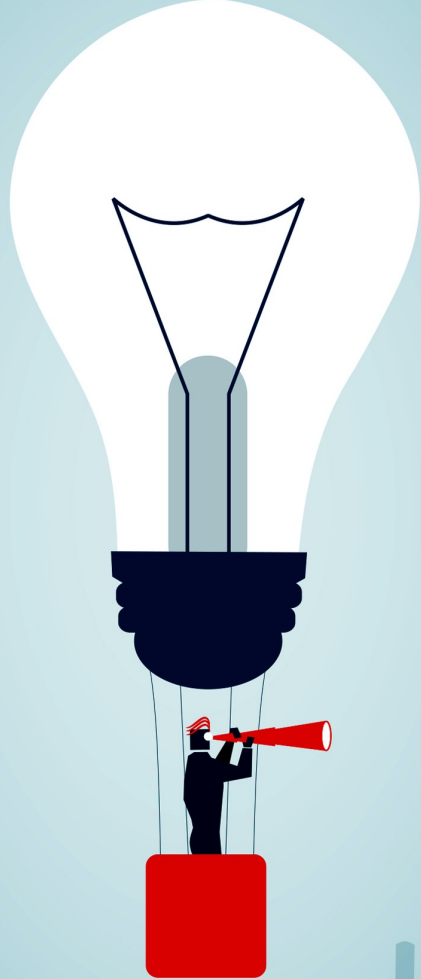
Generic TT Process



1 Cotton Planting and Cultivation - ACTIVITY Diagram



Where can you find these tools and examples of BPAs?



In the UNECE Reports on Business Process Analysis for Sustainability and Circularity covering

1) Leather Value Chains

https://unece.org/sites/default/files/2021-04/E320_BPA-SVC-leather.pdf

2) Textile Value Chains

Draft: https://unece.org/sites/default/files/2021-01/E320_BPA-SVC-textile.pdf

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href='https://www.freepik.com/photos/background'>Background photo created by onlyyouqj

Module 6 – Part 1

What is Business Process Analysis?

- Business Process Analysis (BPA) Fundamentals
- **Challenges in BPA Development**
- Defining Sustainability Claims with Credibility and Traceability in Mind
- Sustainability Claims – The Way Forward



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Challenges in BPA Development

Our Discussants



Marco Ricchetti

CEO

Blumine SRL

UNECE Project Textile Value Chain
Expert



Deborah Taylor

MD, Sustainable Leather
Foundation

UNECE Project Consultant and
Leather Value Chain Expert



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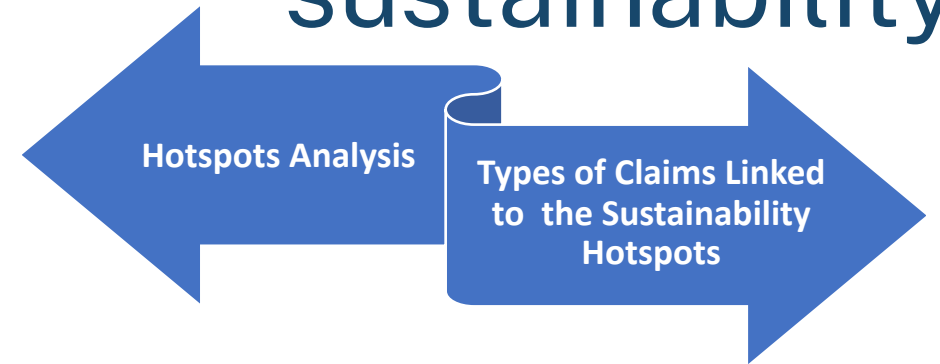
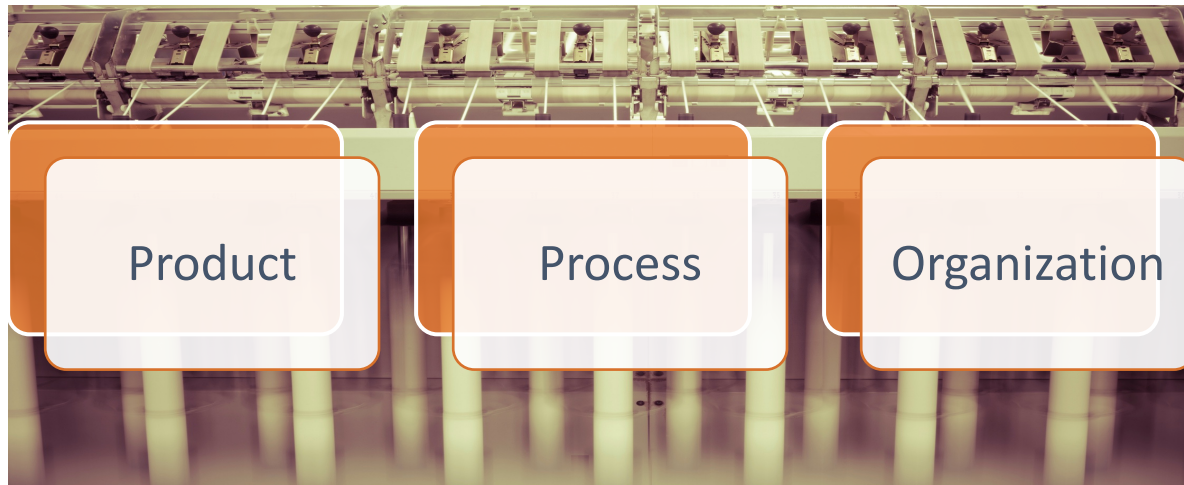
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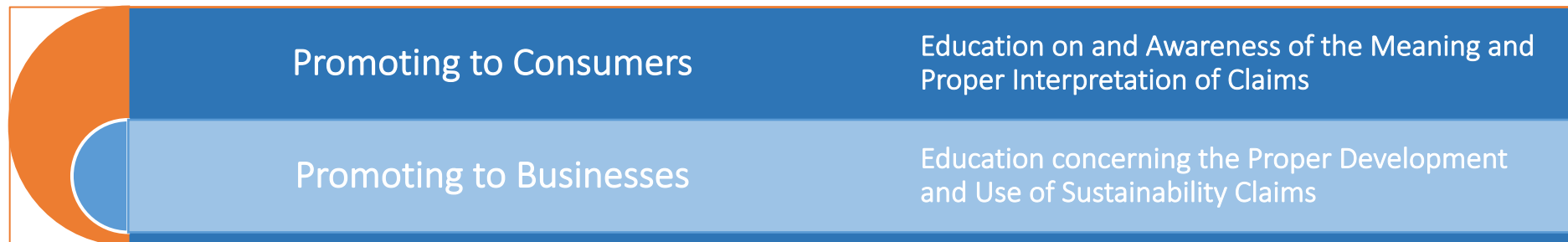
Defining Sustainability Claims with Traceability and Credibility in Mind

Claudia Di Bernardino,
Partner at TMSHELL Law Firm
UNECE project legal consultant

Designing claims for sustainability



- Social
- Environmental
- Economic



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The practice of making misleading claims

Screening of websites for
'greenwashing'

January 2021

"More and more people want to live a green life, and I applaud companies that strive to produce eco-friendly products or services. However, there are also unscrupulous traders out there, who pull the wool over consumers' eyes with vague, false or exaggerated claims. The Commission is fully committed to empowering consumers in the green transition and fighting greenwashing. This is precisely one of the main priorities of the New Consumer Agenda adopted last autumn."

Didier Reynders, Commissioner for Justice

Sweep
on Green Online Claims
on Garments

Results

Half of Green Claims
Lack Evidence

Main Findings

More than half of cases: lack sufficient information for consumers to judge the claim's accuracy

37% of cases: vague and general statements such as "conscious", "eco-friendly", "sustainable"

59% of cases: no easily accessible evidence to support the claim



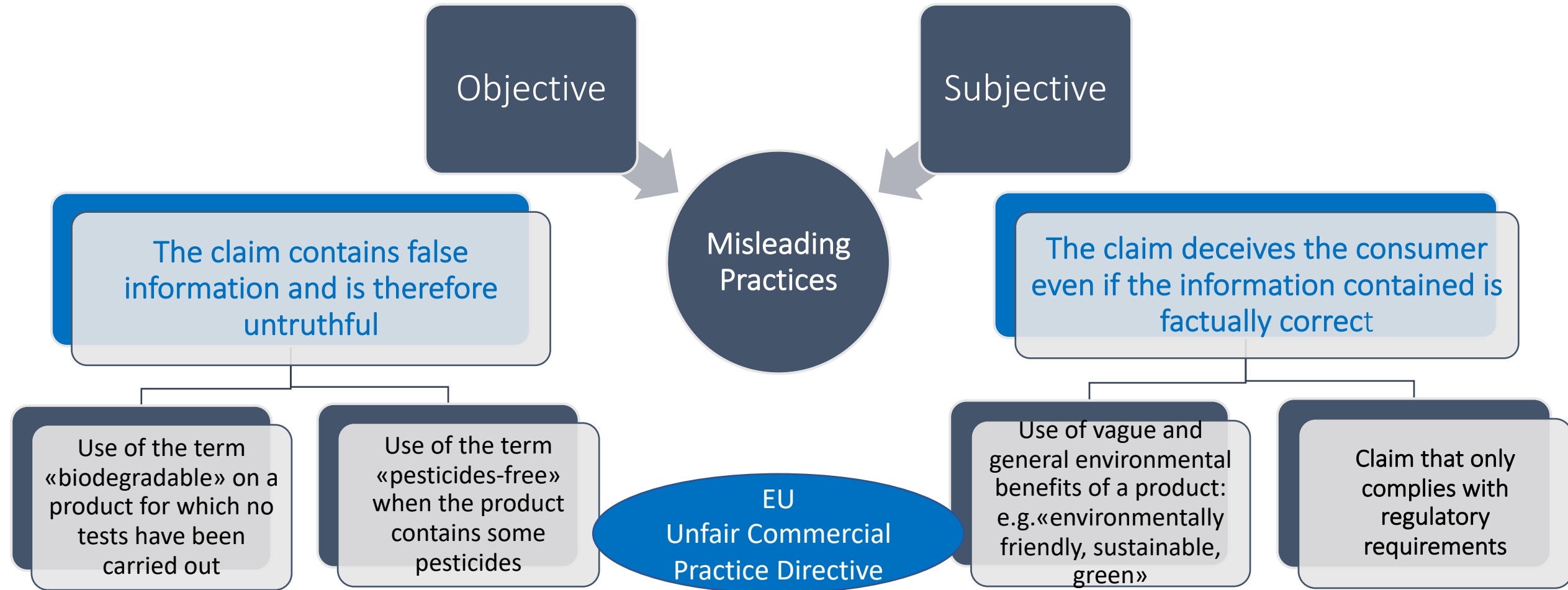
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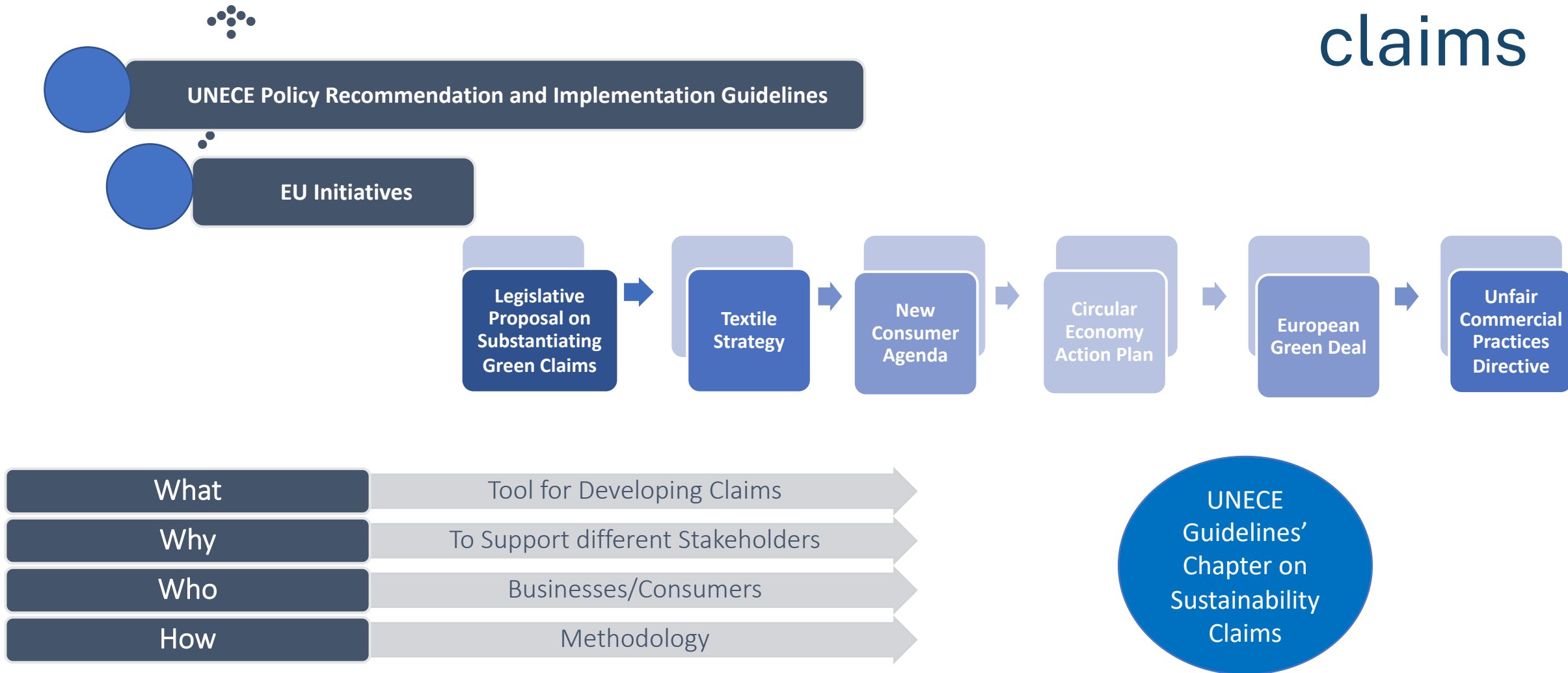
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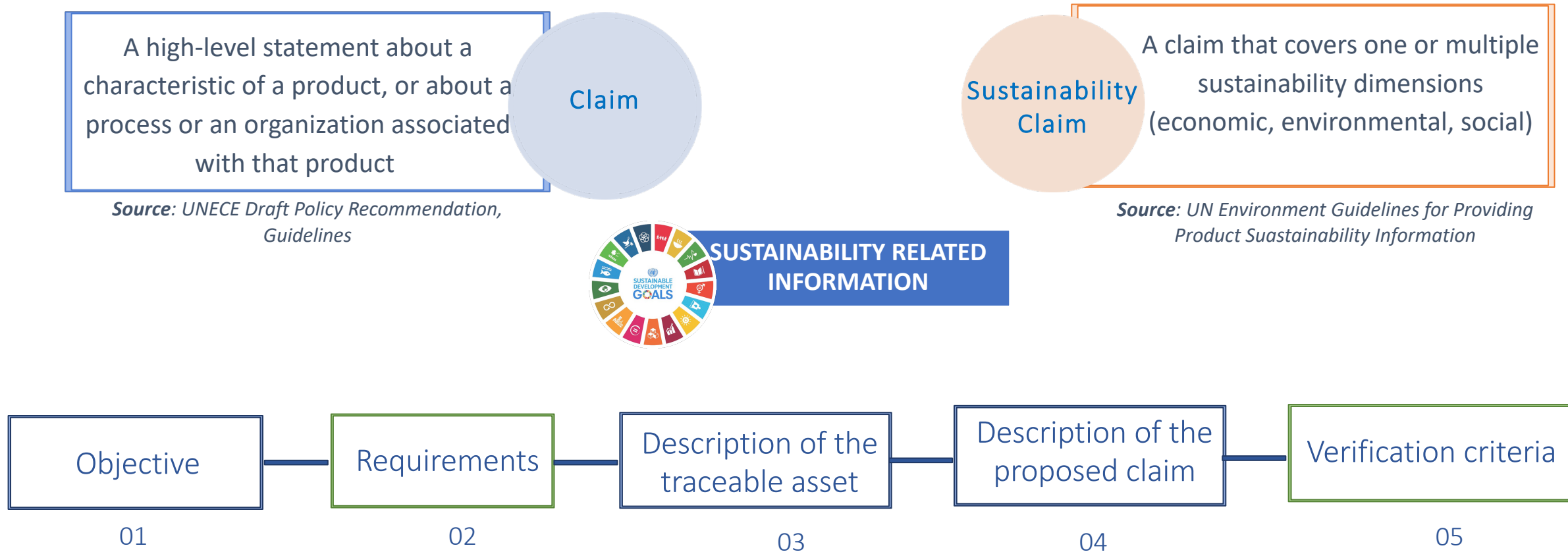
European regulatory landscape on misleading practices



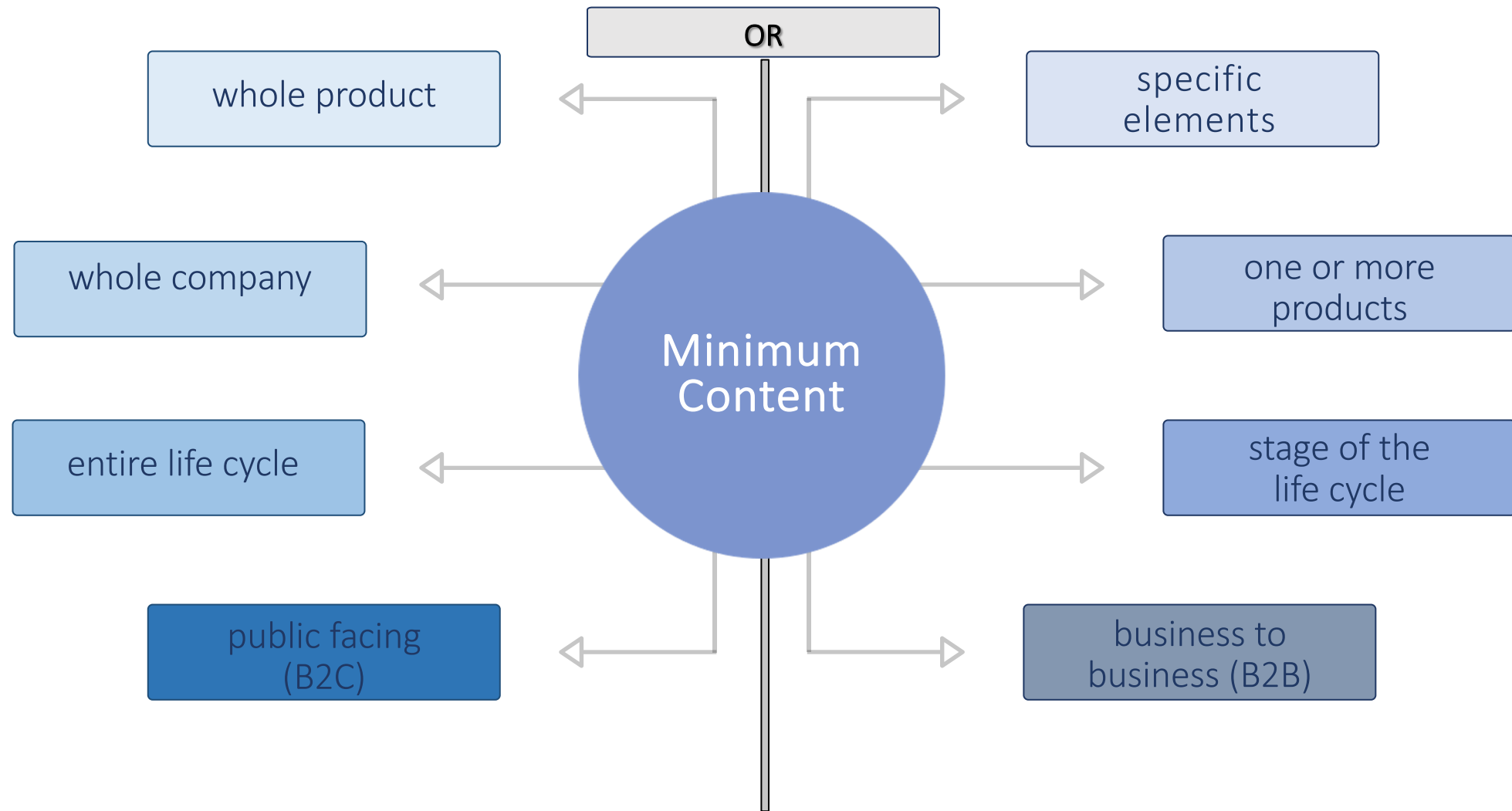
UNECE guidelines on sustainability claims



Definition and components of sustainability claims



Minimum content of sustainability claims



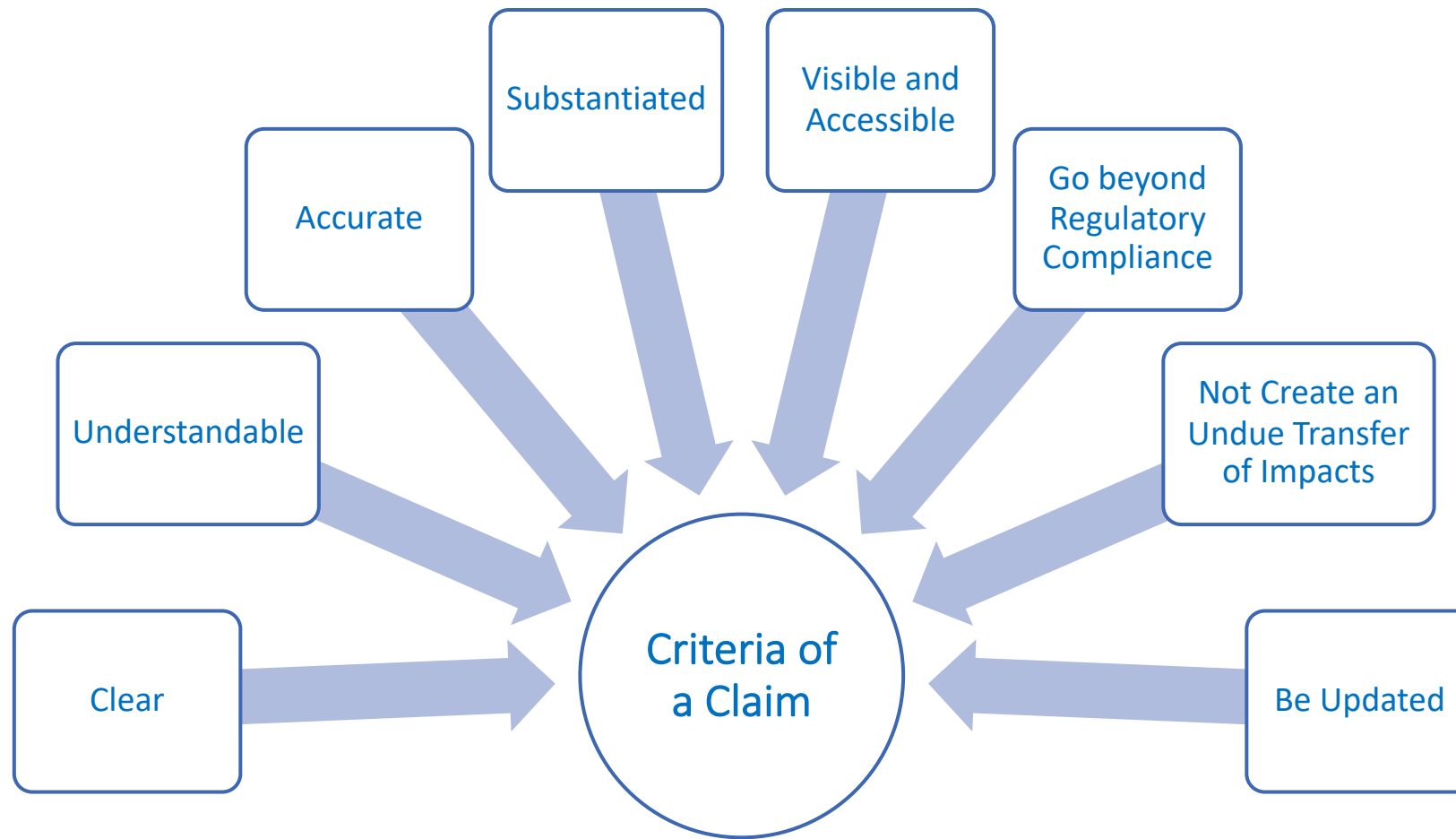
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Criteria for developing sustainability claims



Number of identified criteria to enhance the value and effectiveness of claims



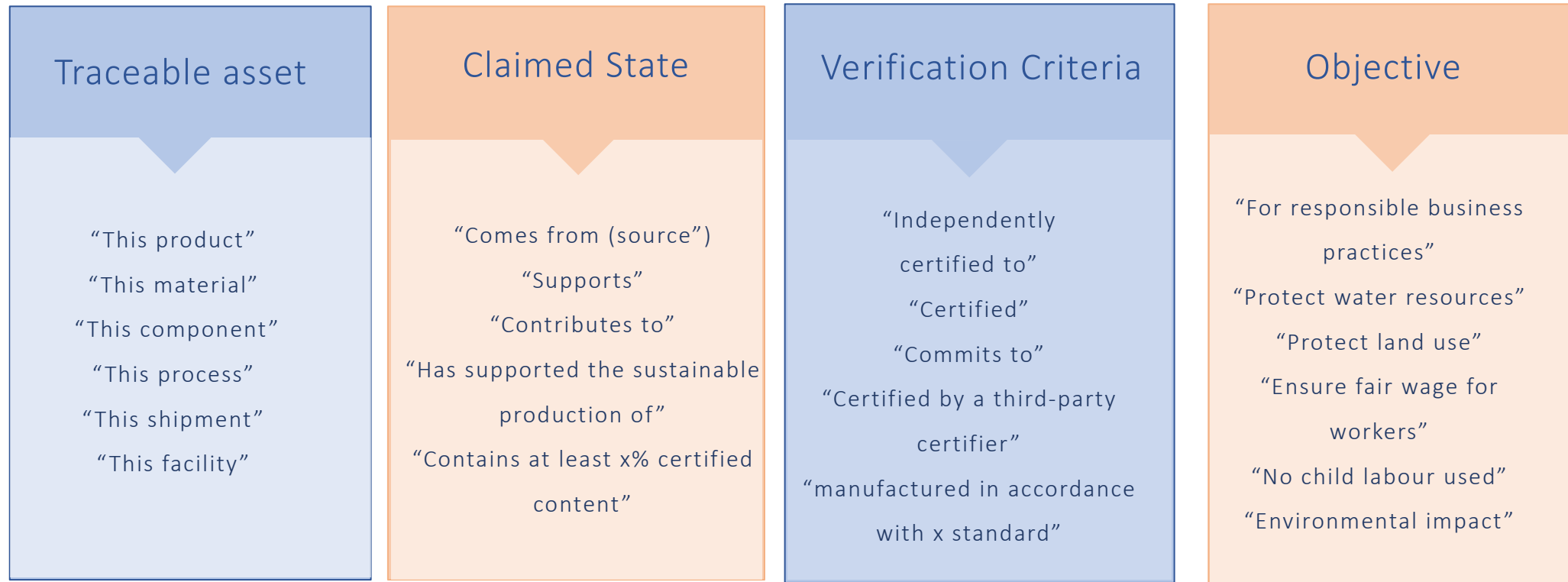
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Building reliable claims



A suggested general format for claims is the following:

[Traceable Assets] comply with [Claimed State] in accordance with [Verification Criteria] for/to support [Objective]

Examples:

❑ Imported knitwear contains ethically grown and traded cotton from Country A and is obtained in compliance with the standard for ensuring responsible business conduct.

❑ Imported Ready-made-garments from suppliers in Country B have been manufactured using good labour practices in accordance with the ILO fundamental labour standards, which support sustainable sourcing.



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Sustainability Claims as a Creative Opportunity

- To share stories of sustainable production and consumption
- To change the narrative of the garment and footwear sector
- To emerge successfully from the pandemic with values of sustainability and credibility
- To understand products and behaviours' sustainability impacts
- To make the shift on circularity
- To be game changers



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Sustainability Claims – The Way Forward

Our Discussants



Emanuele Riva

Vice General Manager and Director of
Certification & Inspection Department
of ACCREDIA

Vice Chair and Chair-Elect of the
International Accreditation Forum (IAF)



Simon Giuliani

Global Marketing Director
Candiani Denim



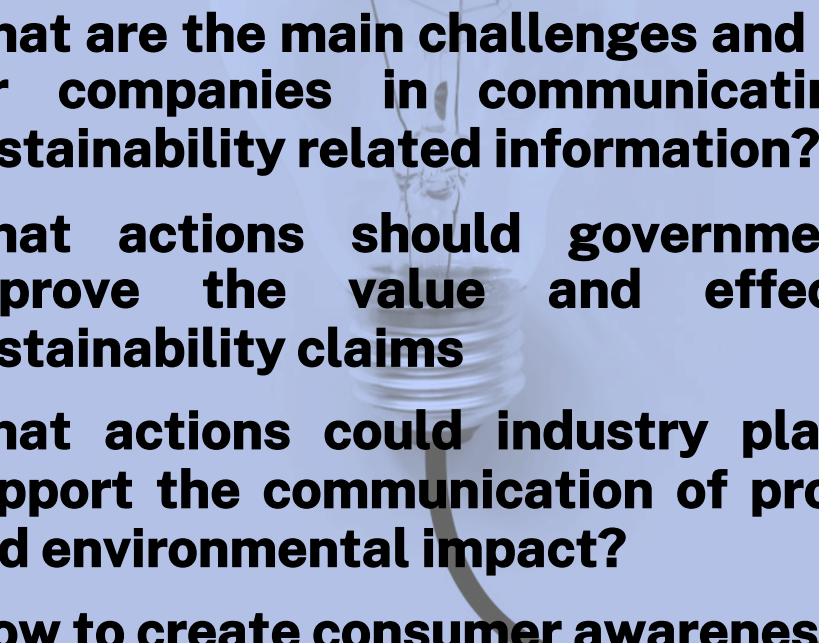
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Defining Sustainability Claims with Traceability & Credibility in Mind

- 
- 1. What are the main challenges and opportunities for companies in communicating products' sustainability related information?**
 - 2. What actions should governments take to improve the value and effectiveness of sustainability claims**
 - 3. What actions could industry players take to support the communication of products' social and environmental impact?**
 - 4. How to create consumer awareness of the meaning and interpretation of sustainability claims?**



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Thoughts on How to Move Forward

- Guidelines on claims
- Sustainability labelling requirements
- Consumer awareness and education
- Businesses awareness and education
- Harmonized regulatory frameworks
- Enforcement of consumer protection laws
- Common methodology to measure products' impacts and substantiate claims
- Industry codes
- Tracking technologies
- Consumer engagement
- Communications approaches



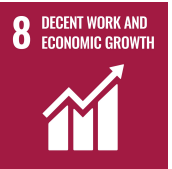
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THANK YOU JOIN THE SUSTAINABILITY PLEDGE

thesustainabilitypledge.org

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UNECE Project Expert - CEO, Triangularity S.L.

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