

The background of the slide is a photograph of a high-altitude mountain range at night. The peaks are covered in snow and partially illuminated by a soft, ambient light. In the lower center of the frame, a small, dome-shaped tent is visible, glowing with a warm, yellow light from within. The overall atmosphere is cold and isolated.

Supply Chain Assessments for SME's

- Where to start, where to go? -

Joel Svedlund, Peak 63

Peak63^N
OUTDOOR LAB

SIA Summit Series, March 2024

The *Peak63^N* outdoor sports eco-system

Peak 63 - formerly Peak Innovation:
Sweden's national initiative for innovation
and sustainability in sports & outdoor.

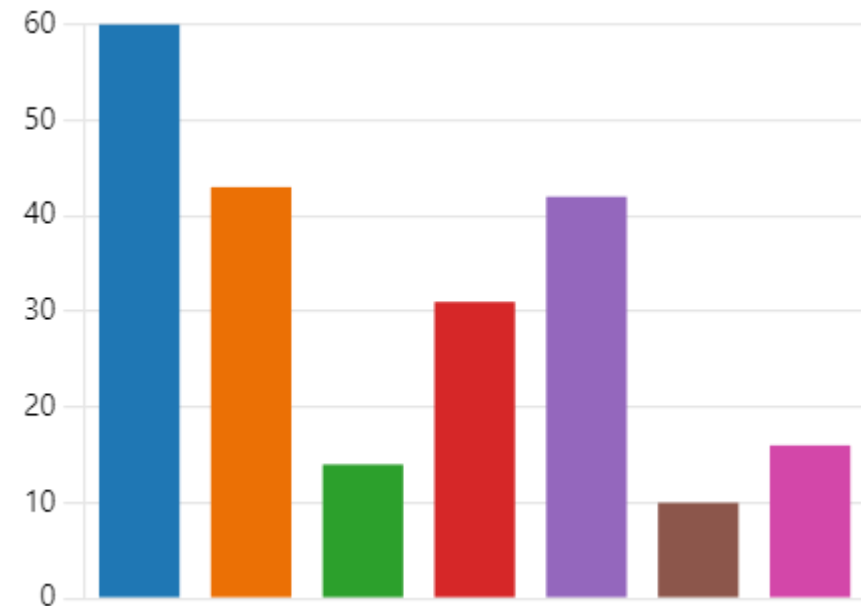
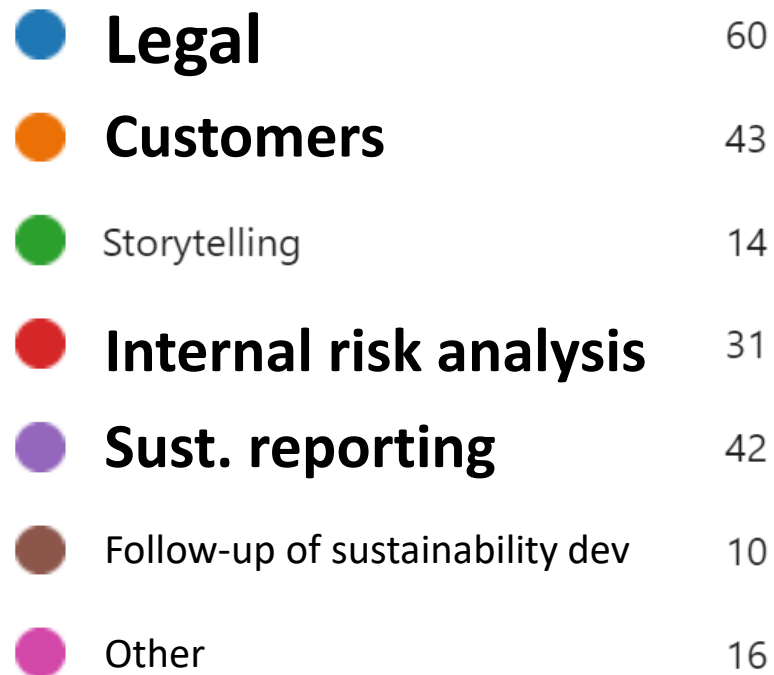
We offer innovation and sustainability
expertise aimed specifically at the sports
and outdoor industry.



Suggested take-aways

- **Legal demands** for traceability are approaching fast
- **Supply chain mapping** is a recommended first step
- Start investigating **digital tools** for traceability
- **Prepare to share data** on product level

Main drivers of supply chain traceability



Based on survey "Status Quo in Traceability", Autumn 2022 by Textile & Fashion 2030/Peak 63. 71 respondents.

New legal requirements for traceability

Suggested new regulations 2024-2028

- **Sustainability Due Diligence + Sustainability Reporting** - supply chain knowledge and risk assessments for both environmental and social aspects.
- **Digital Product Passports** (ESPR) are targeted at e.g. textiles, electronics and batteries. Other product groups will follow later.
- **EU REACH** updates
- **PFAS** regulation in both EU and US states.
- **Deforestation free forest products**
- **Green claims** and **Empowering consumer regulations** for any voluntary claims you make.
- **Forced labor legislation** both in US and EU.

...plus more...

Obstacles to traceability



Based on survey "Status Quo in Traceability", Autumn 2022 by Textile & Fashion 2030/Peak 63. 71 respondents.

**TEXTILE &
FASHION
2030**



ID	Project Name	Project Category	Project Description	Project Manager	Project Status	Project Start Date	Project End Date	Project Budget	Project Actual Cost	Project Variance	Project Risk Level	Project Health	Project Notes	Project Performance		Project Score
														Project Progress (%)	Project Quality (%)	
001	Project A	Category 1	Project A Description	Manager A	Completed	2020-01-01	2020-03-31	\$1,000,000	\$950,000	\$50,000	Low	Green	Project A completed successfully.	95%	98%	96.5
002	Project B	Category 2	Project B Description	Manager B	In Progress	2020-04-01	2020-06-30	\$2,000,000	\$1,800,000	\$200,000	Medium	Yellow	Project B is on track.	80%	90%	85.0
003	Project C	Category 3	Project C Description	Manager C	On Hold	2020-07-01	2020-09-30	\$500,000	\$500,000	\$0	High	Red	Project C is on hold.	50%	70%	60.0
004	Project D	Category 4	Project D Description	Manager D	Completed	2020-10-01	2020-12-31	\$3,000,000	\$2,900,000	\$100,000	Low	Green	Project D completed successfully.	98%	99%	98.5
005	Project E	Category 5	Project E Description	Manager E	In Progress	2021-01-01	2021-03-31	\$1,500,000	\$1,400,000	\$100,000	Medium	Yellow	Project E is on track.	75%	85%	80.0
006	Project F	Category 6	Project F Description	Manager F	On Hold	2021-04-01	2021-06-30	\$800,000	\$800,000	\$0	High	Red	Project F is on hold.	60%	75%	67.5
007	Project G	Category 7	Project G Description	Manager G	Completed	2021-07-01	2021-09-30	\$1,200,000	\$1,150,000	\$50,000	Low	Green	Project G completed successfully.	92%	95%	93.5
008	Project H	Category 8	Project H Description	Manager H	In Progress	2021-10-01	2021-12-31	\$2,500,000	\$2,300,000	\$200,000	Medium	Yellow	Project H is on track.	85%	92%	88.5
009	Project I	Category 9	Project I Description	Manager I	On Hold	2022-01-01	2022-03-31	\$600,000	\$600,000	\$0	High	Red	Project I is on hold.	40%	60%	50.0
010	Project J	Category 10	Project J Description	Manager J	Completed	2022-04-01	2022-06-30	\$900,000	\$880,000	\$20,000	Low	Green	Project J completed successfully.	90%	93%	91.5
011	Project K	Category 11	Project K Description	Manager K	In Progress	2022-07-01	2022-09-30	\$1,800,000	\$1,700,000	\$100,000	Medium	Yellow	Project K is on track.	78%	88%	83.0
012	Project L	Category 12	Project L Description	Manager L	On Hold	2022-10-01	2022-12-31	\$700,000	\$700,000	\$0	High	Red	Project L is on hold.	55%	70%	62.5
013	Project M	Category 13	Project M Description	Manager M	Completed	2023-01-01	2023-03-31	\$1,100,000	\$1,050,000	\$50,000	Low	Green	Project M completed successfully.	91%	94%	92.5
014	Project N	Category 14	Project N Description	Manager N	In Progress	2023-04-01	2023-06-30	\$2,200,000	\$2,000,000	\$200,000	Medium	Yellow	Project N is on track.	82%	90%	86.0
015	Project O	Category 15	Project O Description	Manager O	On Hold	2023-07-01	2023-09-30	\$900,000	\$900,000	\$0	High	Red	Project O is on hold.	65%	78%	71.5
016	Project P	Category 16	Project P Description	Manager P	Completed	2023-10-01	2023-12-31	\$1,300,000	\$1,250,000	\$50,000	Low	Green	Project P completed successfully.	93%	96%	94.5
017	Project Q	Category 17	Project Q Description	Manager Q	In Progress	2024-01-01	2024-03-31	\$1,600,000	\$1,500,000	\$100,000	Medium	Yellow	Project Q is on track.	79%	89%	84.0
018	Project R	Category 18	Project R Description	Manager R	On Hold	2024-04-01	2024-06-30	\$800,000	\$800,000	\$0	High	Red	Project R is on hold.	50%	65%	57.5
019	Project S	Category 19	Project S Description	Manager S	Completed	2024-07-01	2024-09-30	\$1,000,000	\$980,000	\$20,000	Low	Green	Project S completed successfully.	94%	97%	95.5
020	Project T	Category 20	Project T Description	Manager T	In Progress	2024-10-01	2024-12-31	\$2,100,000	\$1,900,000	\$200,000	Medium	Yellow	Project T is on track.	81%	89%	85.0

"Traceability tools for textile supply chains"

Unique report & tool list available online – relevant for non-textile brands too:

<https://textileandfashion2030.se/traceability-tools/>

Traceability and Transparency

Traceability: Upstream/input

Describes the process of tracing the origin, movements and structure of products and materials.

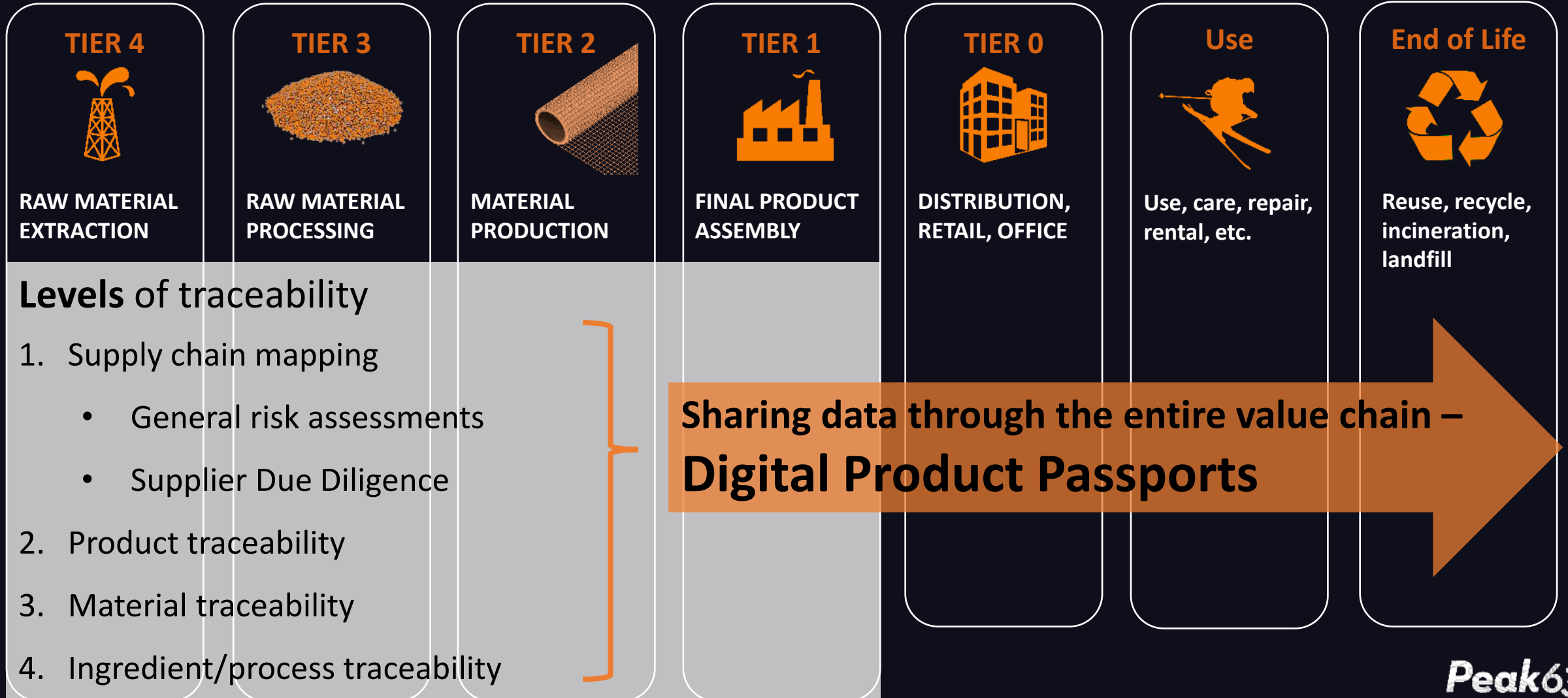
Transparency: Downstream/communication

Deals with communication of information to customers and other external stakeholders.

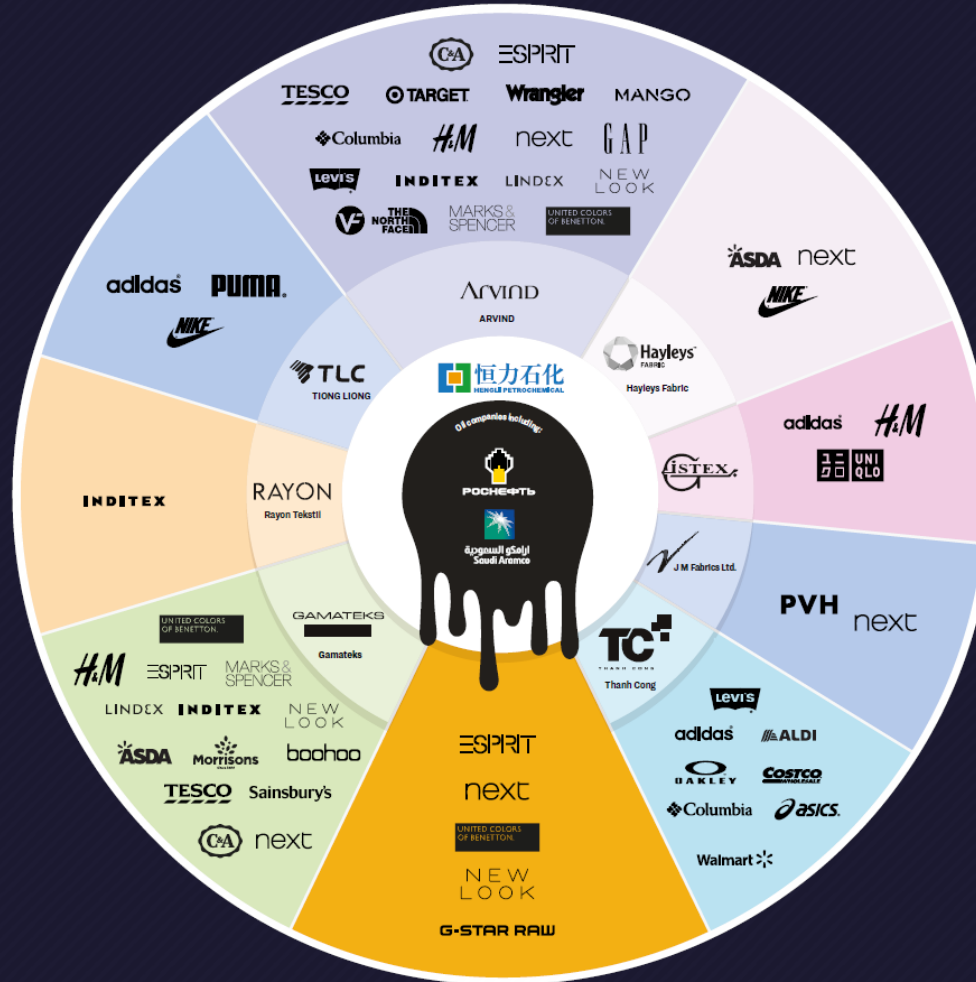
➔ Without Traceability, no Transparency!

(Trustrace Traceability Playbook)

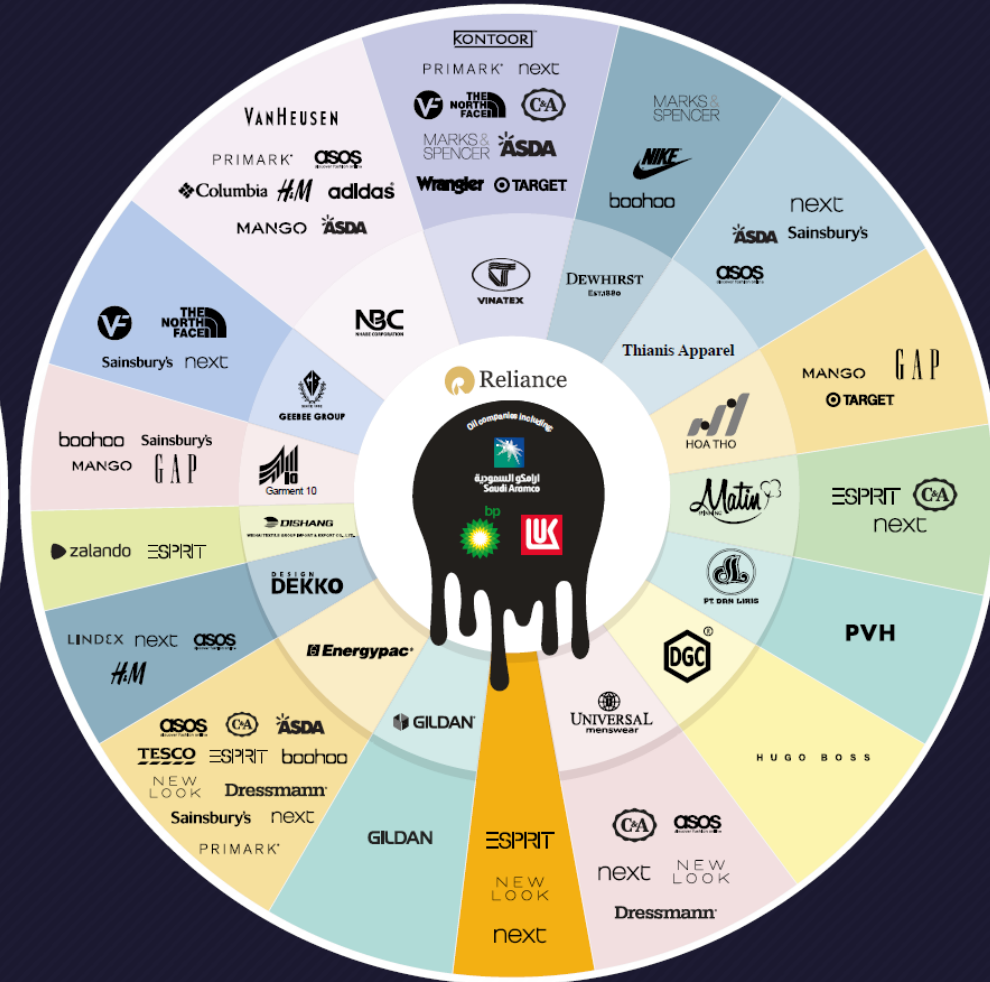
Supply chain traceability levels



Supply chain links between Hengli Group and major global fashion brands



Supply chain links between Reliance Industries and major global fashion brands



Direct links were found for brands which have published Hengli or Reliance on their supplier lists. Indirect supply links are included for brands sourcing from manufacturers which are supplied in turn by Hengli or Reliance.



Traceability as driver

Why is traceability a requirement for sustainability and transparency?

Finding the true origins

What may be requested for risk supply chains:

- Mapping of full supply chains
- All materials... including local sourcing
- All processing, every step
- Managing PO/batch variations
(or even unique product variations)

Footprinting/LCA/Carbon accounting

A growing need for actual supply chain data:

- Actual locations, processes
- Identify hotspots and best practices
- Local conditions for environmental data
- Track variations over time

➔ Possible to calculate footprint improvements

Green claims verification

Building transparency and accountability:

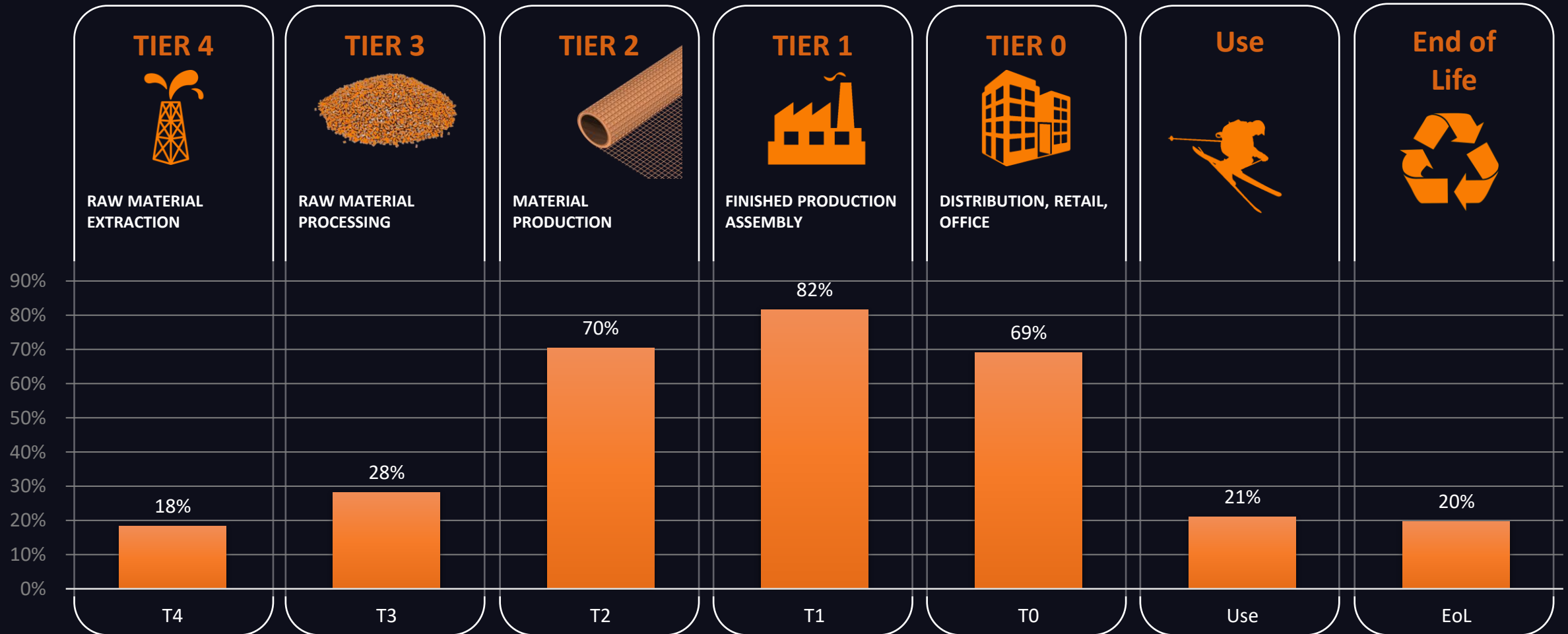
- Verifying your claims by actual data
- A better base for storytelling
- Possible to share data for validation
- Enabling others to speak for you

The background of the slide is a dark, atmospheric photograph of a snowy mountain range at night or dusk. In the lower center, a small, glowing yellow tent is visible, providing a point of light in the dark scene.

The need for digital solutions

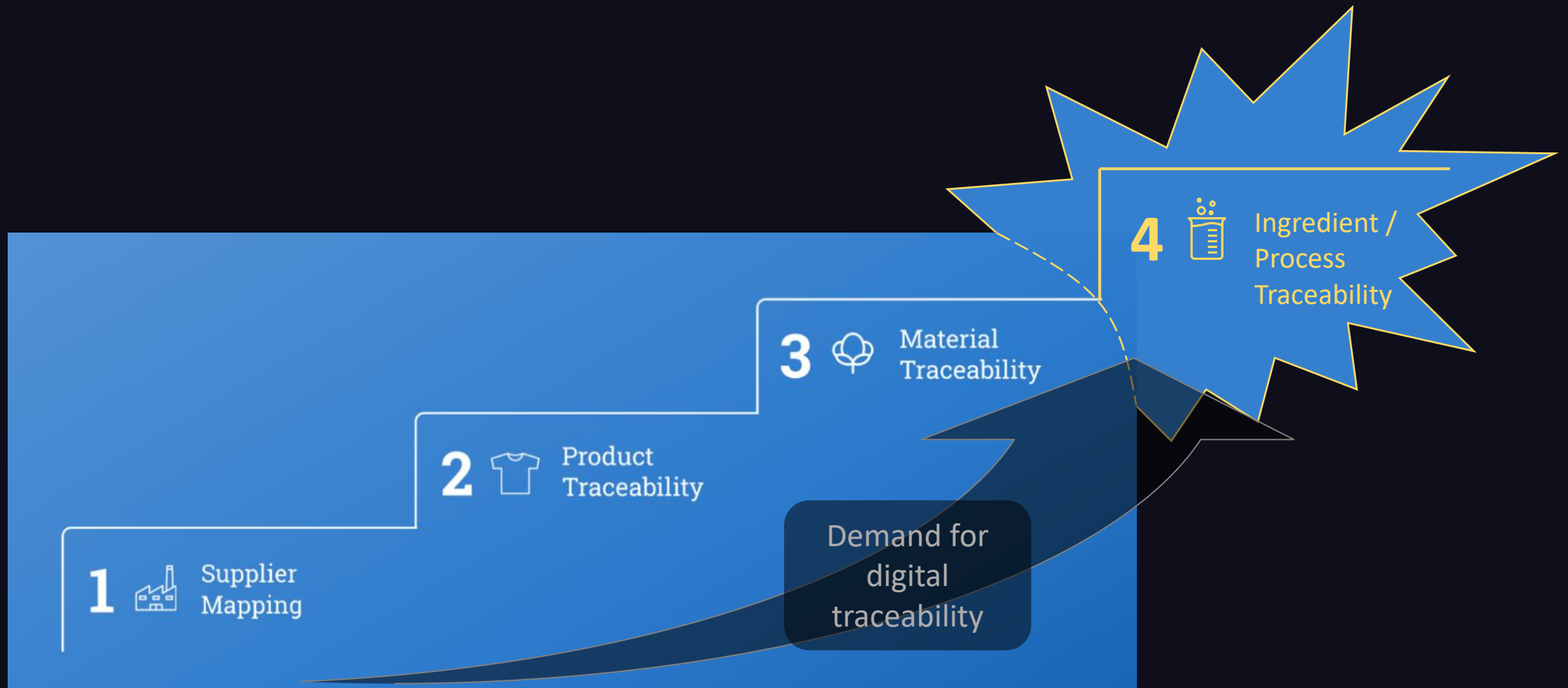
Why go digital – the benefits

Where are we today?



Based on survey "Status Quo in Traceability", Autumn 2022 by Textile & Fashion 2030/Peak 63. 71 respondents.

Levels of traceability



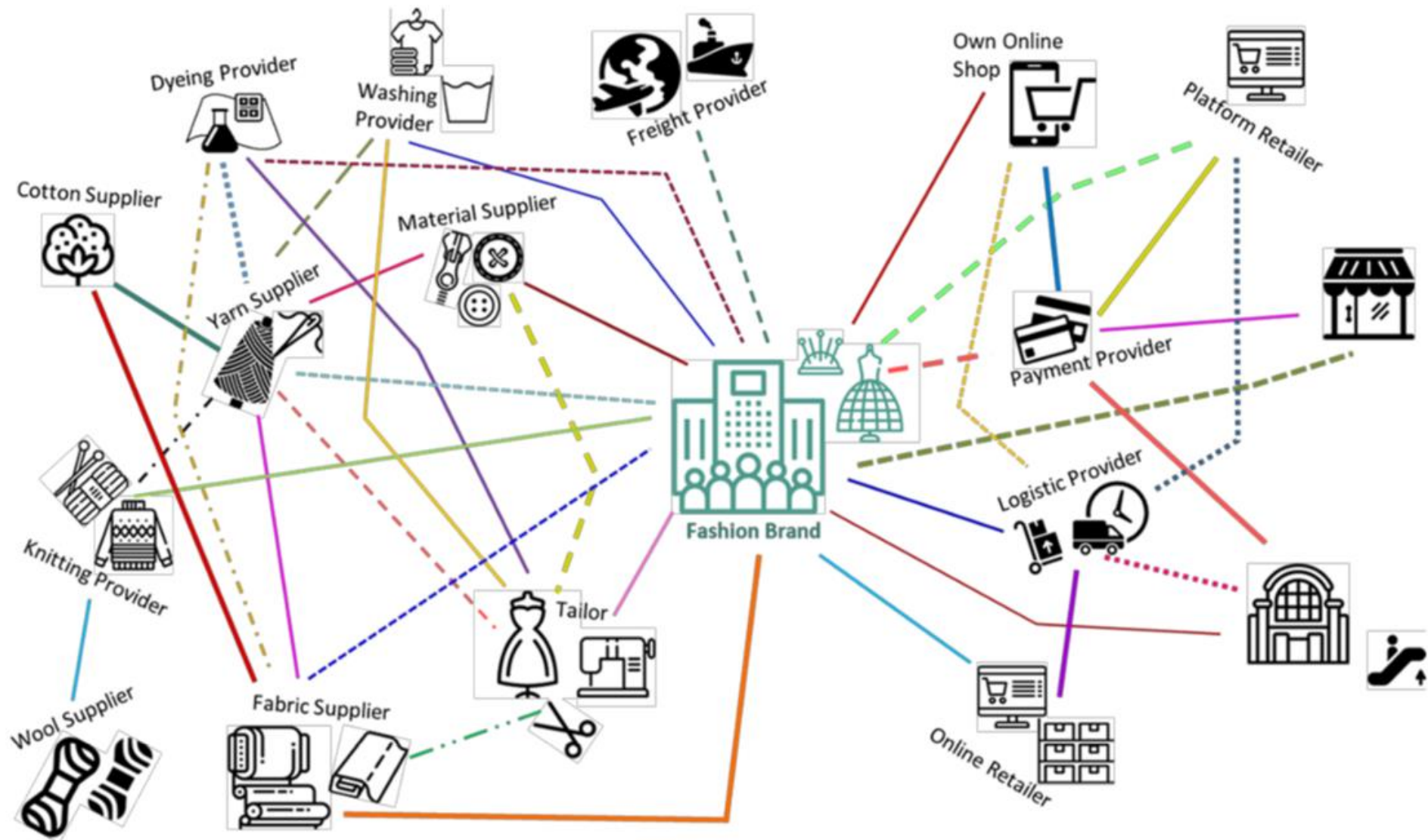


Figure 7: Supply chain network in the fashion industry⁶⁷

From <https://cirpassproject.eu>

Traceability for circularity

Traceability for circularity can increase the demands drastically:

- Tracing on **ingredient- and process level** (for e.g., better recycling)
- Tracing to **unique product individual** (for repair, 2nd hand, rental etc)
- Data accessible in **full value chain**
- Unique physical tracers for each **physical product**

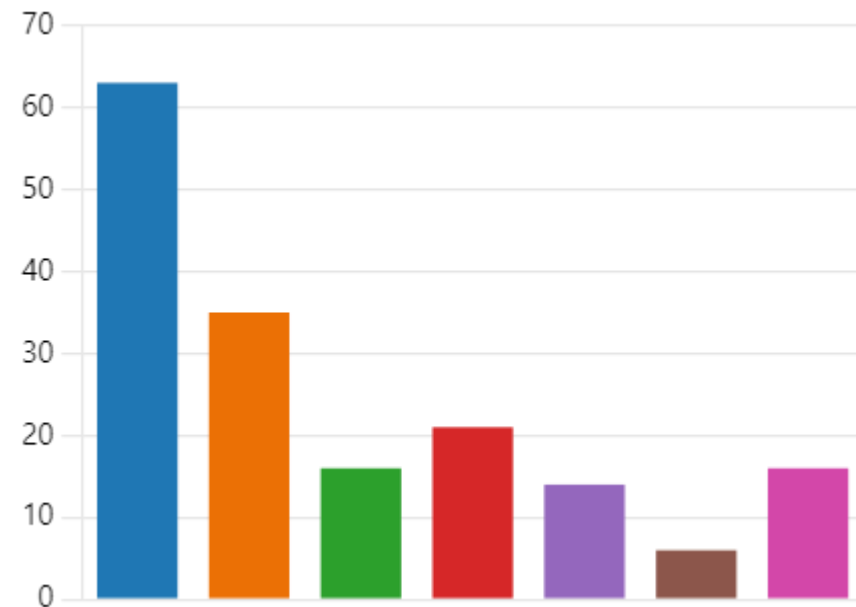
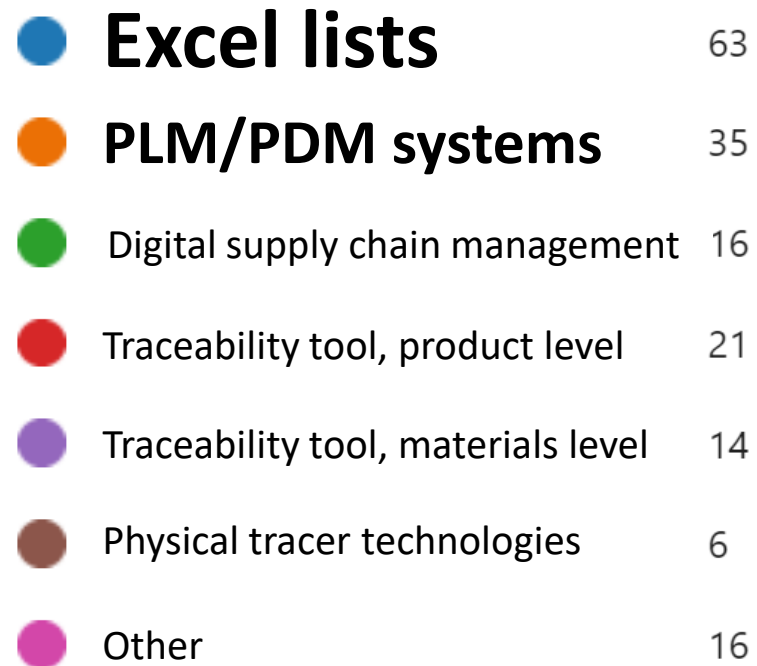
➔ **Digital Product Passports** will be critical



Digital readiness

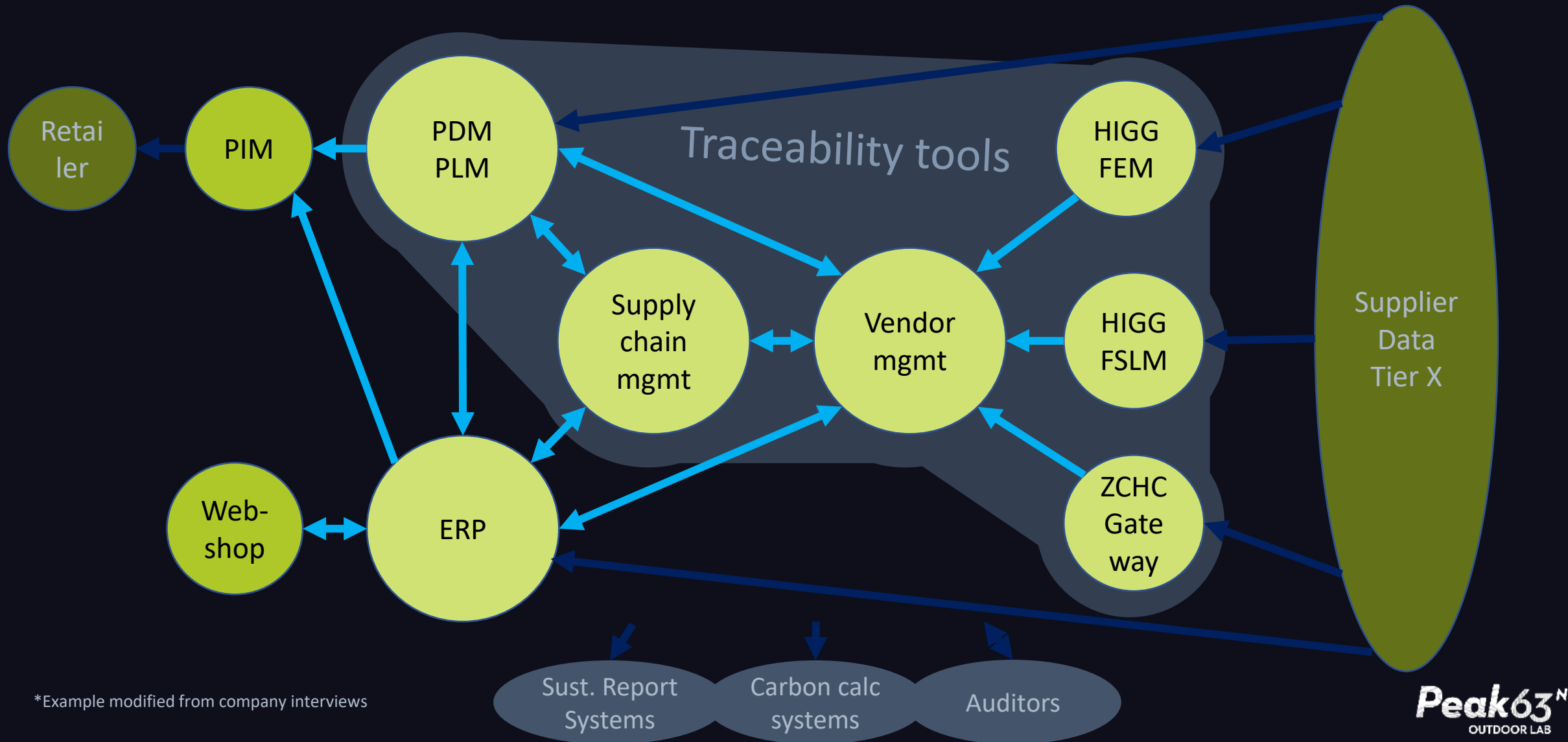
What do we need to prepare?

Types of tools used today



Based on survey "Status Quo in Traceability", Autumn 2022 by Textile & Fashion 2030/Peak 63. 71 respondents.

Traceability in your corporate IT system



*Example modified from company interviews

A complex traceability challenge

- What data?
(Supplier, product, material, feedstock, ingredients, processes, orders/batches, environmental impacts?)
- What parts of the value chain?
(Tier 0-X, User phase, End-of-life?)
- Who inputs data?
(system owner, data owner, third party?)
- What about verification?
(ID, time stamp, third party verification, audits, digital certificates, etc?)
- What systems to share with?
(ERP, PLM, SCM, PIM mfl)
- Who will use the data?
(Internally, externally, raw or processed data?)

Digital Traceability tools

- A silver bullet?



30+ tools for hard goods

The mapped tools are:

- Data agnostic (more or less)
- Focused on supply chain data
- Commercially available
- Digital platforms

30+ tools for hard goods

- Supply chain mapping
- Product traceability
- Physical tracer technologies
- PDM/PLM
(Product Data Systems)
- Sustainability management
- Sustainability reporting
- ERP (Enterprise Resource Planning)
- Supplier/Vendor management
- Supplier risk management
- *Textile standards*

30+ tools for hard goods

Four key questions/differences

- Can suppliers easily provide data?
- Are they built for sustainability data?
- Can they evaluate sustainability impacts?
- Is there any consumer-facing functionality?

Climate in traceability tools?

Out of 80 tool presentations:

- 36 claim some kind of impact assessment
- 20 mention climate as an impact category
- 6 mention Energy use as an impact category

Can the tools handle Digital Product Passports?

Four common types of responses from traceability tool suppliers:

- No info...
- "Of course, we are fully DPP compliant..."
- "We have development staff following DPP closely to be ready"
- "We are part of the CIRPASS project, pushing DPP development"

➔ Check the CIRPASS project website for latest DPP news and their tool overview:

www.cirpassproject.eu

Summary

What to do now?



Conclusions

- Legal demands for traceability are approaching fast
 - Start your work now, manually or digitally.
- **Supplier mapping** is the first step
 - Full supplier mapping will take both time and effort.
- There are many tools for digital traceability
 - Understand your needs before implementing a new tool
 - Start internal dialogues across departments to get all angles
- Data will be shared both internally and externally
 - A good structure and accessible databases will help future sharing



Thank you!

Towards a regenerative sports- and outdoor sector

Peak 63 is a consultancy that supports sports- and outdoor organisations and individual companies with sustainability competence.

We operate in a well established international network of industry, academy and Industry organisations.

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