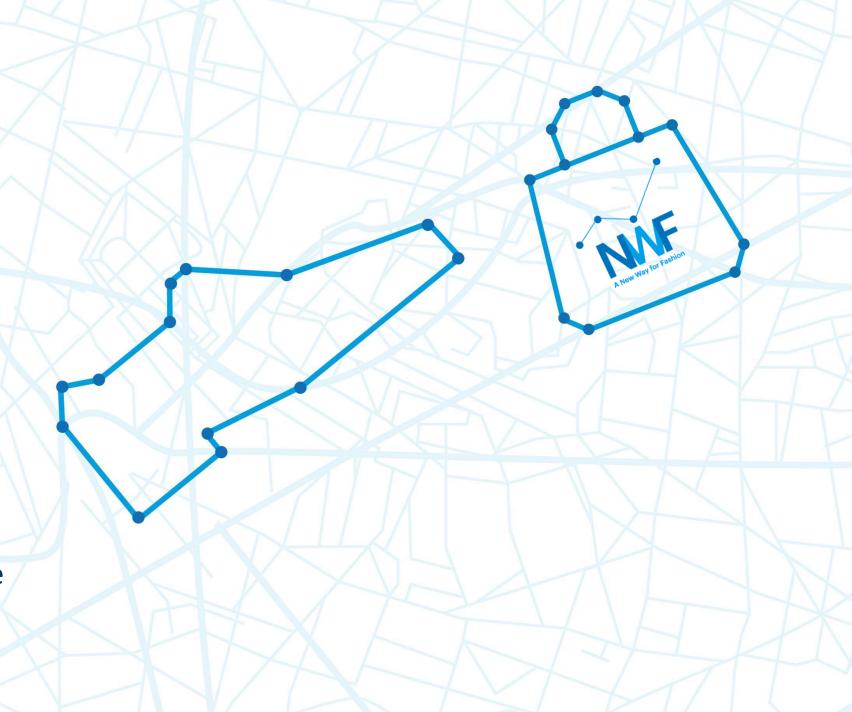


Sustainability and Traceability in Fashion & Luxury

Alberto Proverbio Senior Advisor Tesisquare





There is no accountability without supply chain visibility across all tiers

There is no digital product passport without traceability

many brands currently have limited visibility over their suppliers and therefore lack reliable and standardised data



ESG and Fashion

FEEL THE URGENCY

As many as **16** pieces of legislation relating to fashion and textiles were under discussion in late 2023 in the EU alone

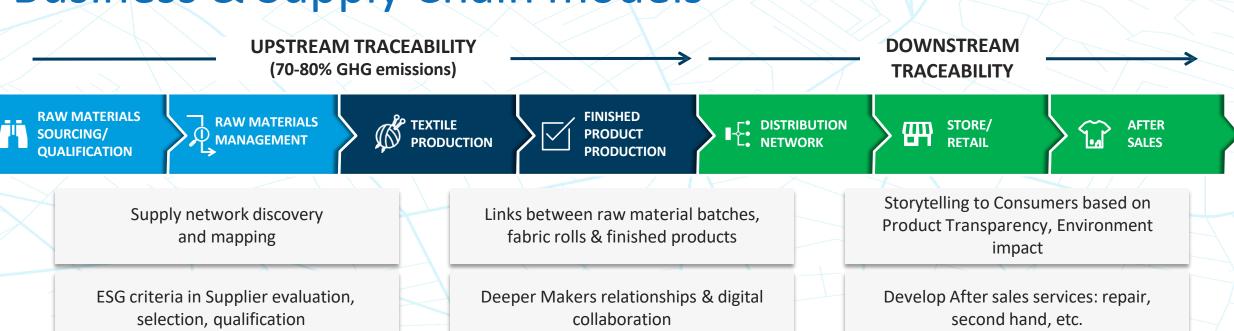
Fashion is responsible for between **3% and 8%** of total greenhouse gas emissions

Only 1% of materials used around the world for clothing is recycled into new clothing

5 million tonnes of Textiles are discarded every year in the EU; 11,3 kg per person Textile consumption is one of the top **3** pressures on water and land use

87% of fashion executives think Sustainability regulations will impact their businesses in 2024

Sustainability and ESG Regulations are shaping Business & Supply Chain models



Deeper Suppliers relationships and digital collaboration

Product serialization (RFID enabled)

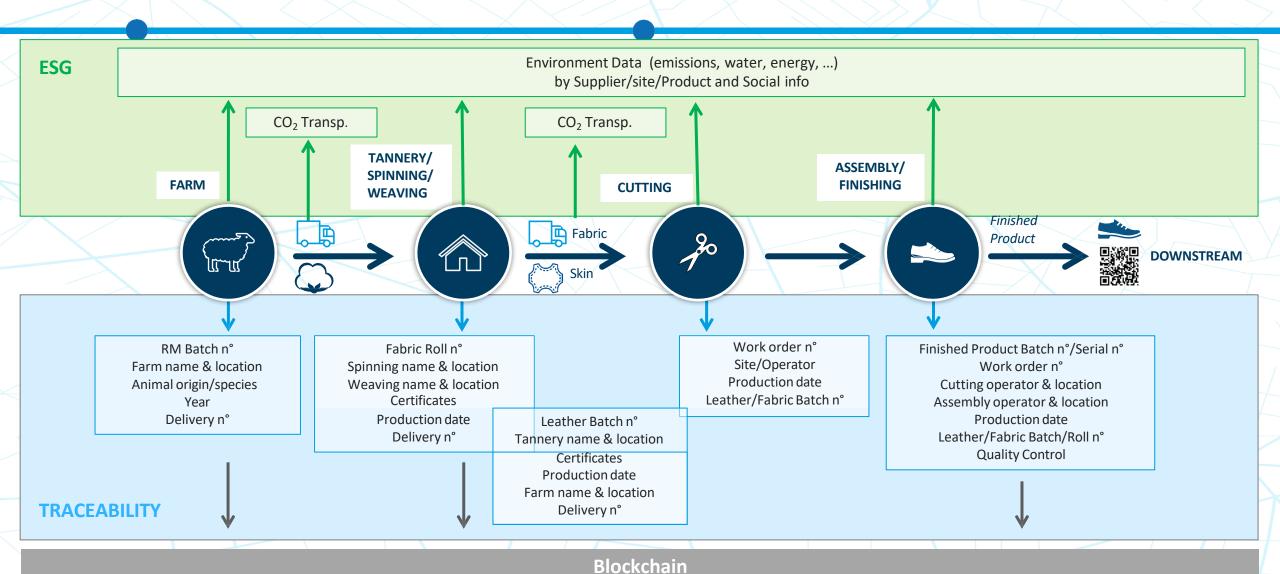
Structured mgmt of Product Traceability & ESG data, events, certificates (available to Authorities)

Suppliers involvement in LCA/PEF

ESG criteria in Supply chain & Logistics network models
Shortened Supply Chains

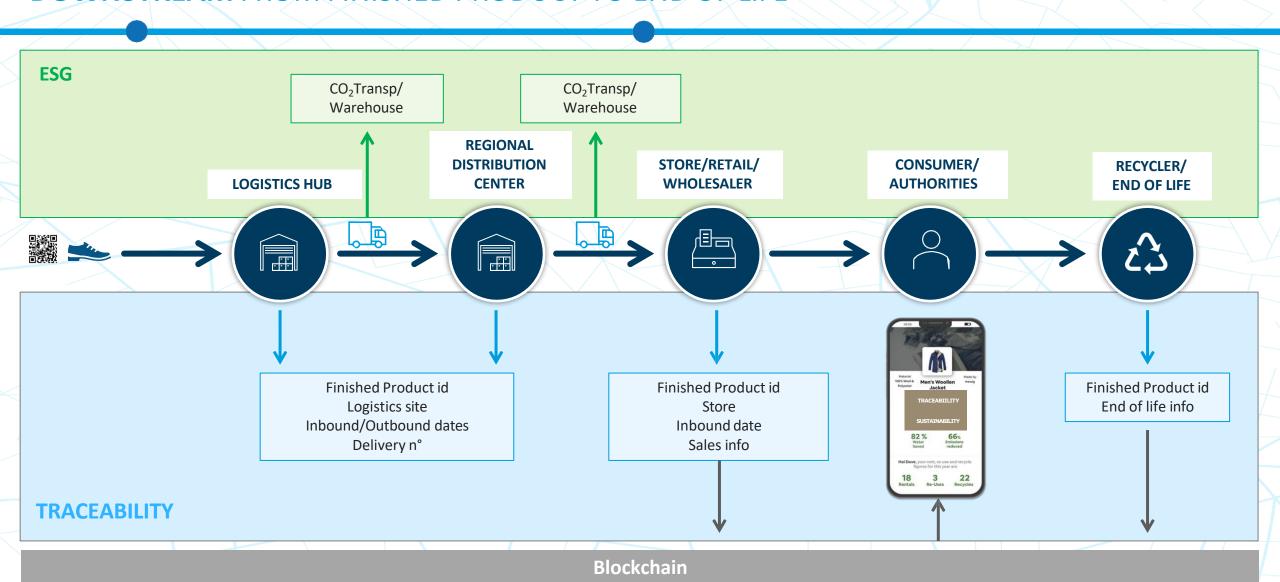
Sustainable Journey

UPSTREAM FROM FARM UNTIL FINISHED PRODUCT



Sustainable Journey

DOWNSTREAM FROM FINISHED PRODUCT TO END OF LIFE



Beyond Regulatory compliance

INTRODUCING TRACEABILITY & DIGITAL PRODUCT PASSPORT IS A JOURNEY

with significant changes to processes, ecosystem collaboration and investments in technology (applications & IOT)

& GO BEYOND REGULATORY COMPLIANCE

There are several **BENEFITS** for Brands:

- Improve Accountability and reduce overall stakeholders Risks, protecting brand reputation and value
- Establish Consumer communication, especially in relation to transparent social ethical and environmental policies
- Better recall management, defective supplier lot identification, defect and incident managing and reporting
- Better manage repair, upgrade and circularity mechanism and develop new after sales services (maintenance, second hand, etc.)
- Facilitate compliance with Corporate Sustainability Reporting directive (CSRD)

Product Transparency & Traceability requires Collaboration with ecosystem

SUPPLIER DISCOVERY & QUALIFICATION (1-N)

PRODUCT QUALIFICATION/ TECH SPECS

BUY EXECUTION
PURCHASE ORDER MGMT /ASN

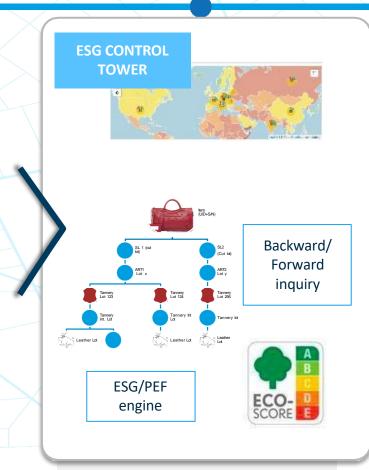
MAKE EXECUTION
WORK ORDER MGMT/ PRODUCTION
FOLLOW-UP

ESG/PEF DATA & KPIS
(CO₂, Water, ...)
CALCULATION CO₂ TRANSPORT

INTEGRATION with Existing systems/EXT DB/ IOT

COLLECT

DATA, DOCUMENTS, CERTIFICATES
IN A COLLABORATIVE & DIGITAL WAY



AGGREGATE & MONITOR

PRODUCT HISTORY & GENEALOGY (TRACEABILITY & ESG DATA)

Item, Lot n°, Serial n°

CONSUMER ENGAGEMENT



COMMUNICATE

STORYTELLING TO CONSUMERS
AND AUTHORITIES