

# A GUIDE TO TRACEABILITY

## A Practical Approach to Advance Sustainability in Global Supply Chains

### FREQUENTLY ASKED QUESTIONS

#### ***What is supply chain traceability? How does it relate to corporate sustainability?***

Supply chain traceability is generally identified as a process by which a product is moved from its original raw material extraction and production phase to the final customer. It is a useful tool that provides important information on the components of products, parts and materials as well as information on transformations throughout the value chain.

In the context of corporate sustainability, traceability can verify certain sustainability claims associated with commodities and products, and can help ensure good practice and respect for people and the environment are integrated throughout the supply chains.

The use of a traceability system can address a variety of environmental and social issues related to a certain commodity – for instance, climate change and deforestation, when related to sustainable farming practices; or human rights, when ensuring that certain commodities – such as minerals and diamonds – are not sourced from conditions of armed conflict.

#### ***Why have UN Global Compact and BSR decided to publish the Guide to Traceability and what methods were used?***

Having identified the need to look deeper into this topic, the UN Global Compact Advisory Group on Supply Chain Sustainability established the Traceability Task Force in February 2013. During the first part of its work, the Task Force assessed the current landscape of traceability by mapping existing resources, initiatives and company practices and drawing together common and emerging themes. This research identified a need for comprehensive and practical guidance on traceability that would define the importance of traceability as a tool to address sustainability issues across all sectors and key commodities.

The findings and recommendations in this guide are based on a review of publically available information, literature and case studies about supply chain traceability; an analysis of existing traceability schemes; and interviews with individuals at companies, traceability schemes and NGOs who have significant experience in traceability.

#### ***Who should read the Guide to Traceability?***

The Guide is primarily aimed at supply chain, procurement, sourcing and sustainability professionals who seek to improve the sustainability of their companies' supply chains. The Guide aims to provide insight, value and practical guidance to those who are new to the topic, as well as those already engaged in

traceability, in a comprehensive and practical way. The Guide can be used by large multinationals, as well as small businesses, and is applicable across industries, geographies and a vast range of commodities.

For organizations involved in traceability, such as traceability schemes and NGOs, this Guide provides a comprehensive overview of the traceability landscape and the benefits of these organizations in helping ensure the sustainability of products.

### **What can someone expect from the Guide to Traceability?**

The main objectives of the Guide are to:

- Provide an overview of the importance of traceability for sustainability purposes;
- Highlight the global opportunities and challenges of traceability; and
- Outline practical steps of how to implement traceability.

The Guide also contains an annex, which provides an in-depth overview of the ten commodities that are most widely associated with traceability for sustainability purposes, such as palm oil, minerals, fish and cocoa. The annex includes a list of some of the key sustainability issues that are relevant for each commodity, as well as a list of key actors and initiatives.

### **What should companies do if specific sustainability issues are not addressed or covered by traceability?**

While traceability can be a very effective tool to address certain sustainability issues, it may only uncover one set of risks and not all potential adverse impacts, depending on the specific nature of the traceability scheme and the issues that it covers. Traceability is not a substitute for broader due diligence in furtherance of the corporate responsibility to respect human rights. Whenever sustainability issues are not covered by traceability, they should still be addressed separately using the appropriate policies and procedures.

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