



41st UN/CEFACT FORUM

2-5 OCTOBER 2023 | BANGKOK | THAILAND

CRM-SR

Standards & Regulations Workstream

Agenda

- CRM Project context
- Problem space – Plethora of ESG standards and regulations adds cost and complexity
- A simplifying concept – B2B Digital Product Passport.
- Another simplifying concept – rules as code.



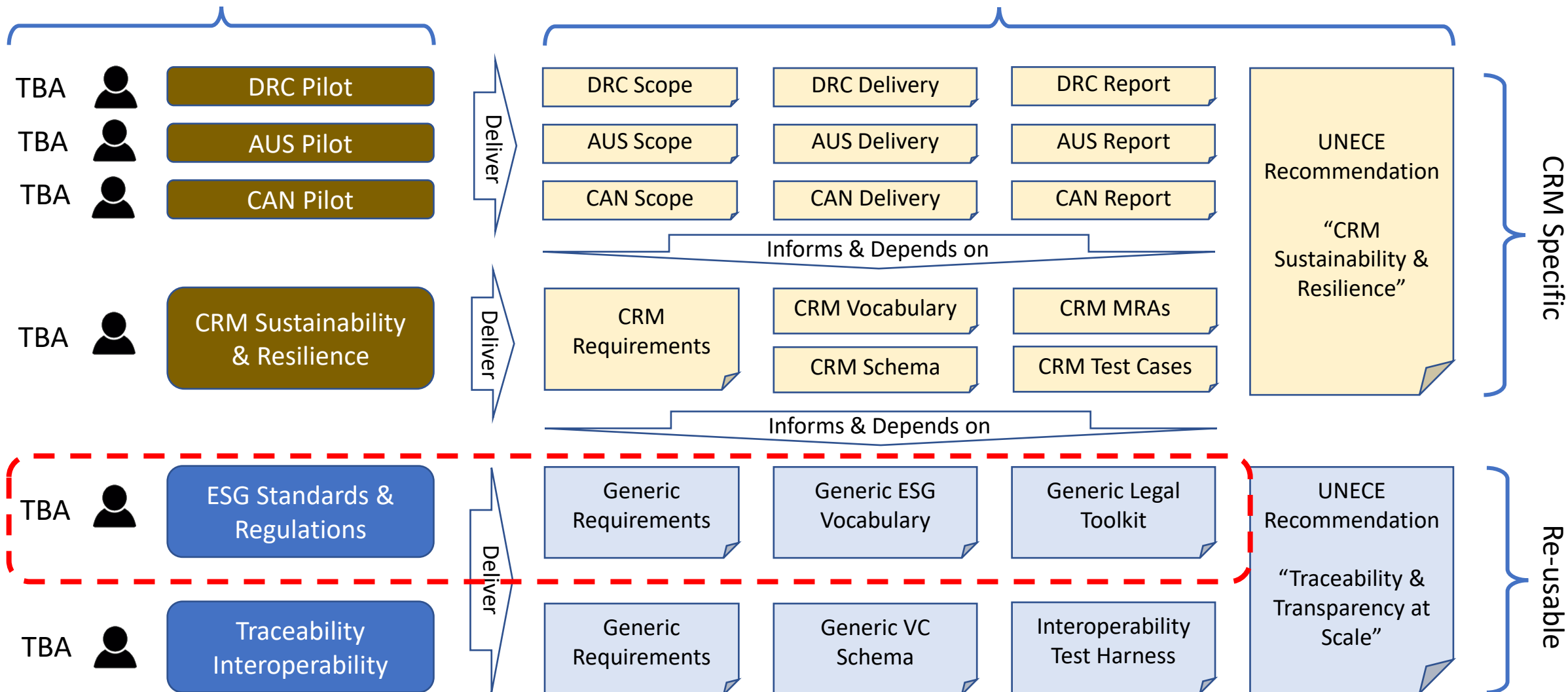
Nancy Norris
Project Lead (Program Governance)



Steven Capell
Lead Editor (Design Authority)

Sub-Projects

Deliverables



Plethora of standards & regulations

300+ just in agriculture & textiles (see standardsmap.org) - let alone mountains of emerging regulations in multiple export markets

- Challenge: The ESG compliance evidence moving through the supply chain is so complex that it's virtually impossible to understand and verify. Eg facility level (what seller has) vs consignment level (what buyer needs) emissions data
- Challenge: Multiple audits against multiple standards & regs may consume all the incentives in compliance costs leaving nothing for improving actual ESG outcomes.

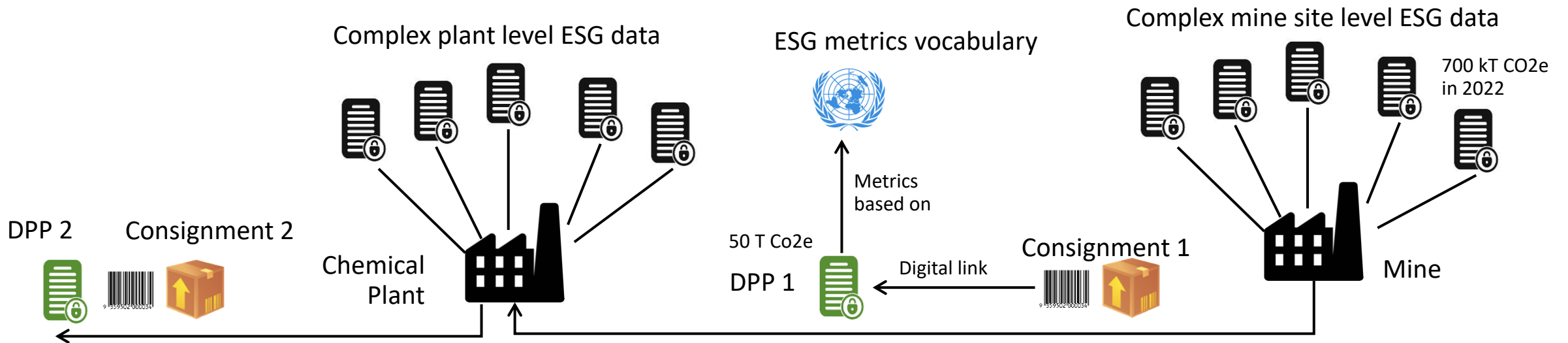
Complexity is the enemy of transparency

We don't want to add to that complexity

- As a standard body, it's tempting to create a new global ESG standard to replace the 100 existing and overlapping ones. But in reality that'll just mean there's now 101 standards.
- So our strategy is to assume there will always be competing standards and regulations and to find ways to reduce the cost and complexity of compliance.

Key deliverable – a B2B DPP & vocabulary

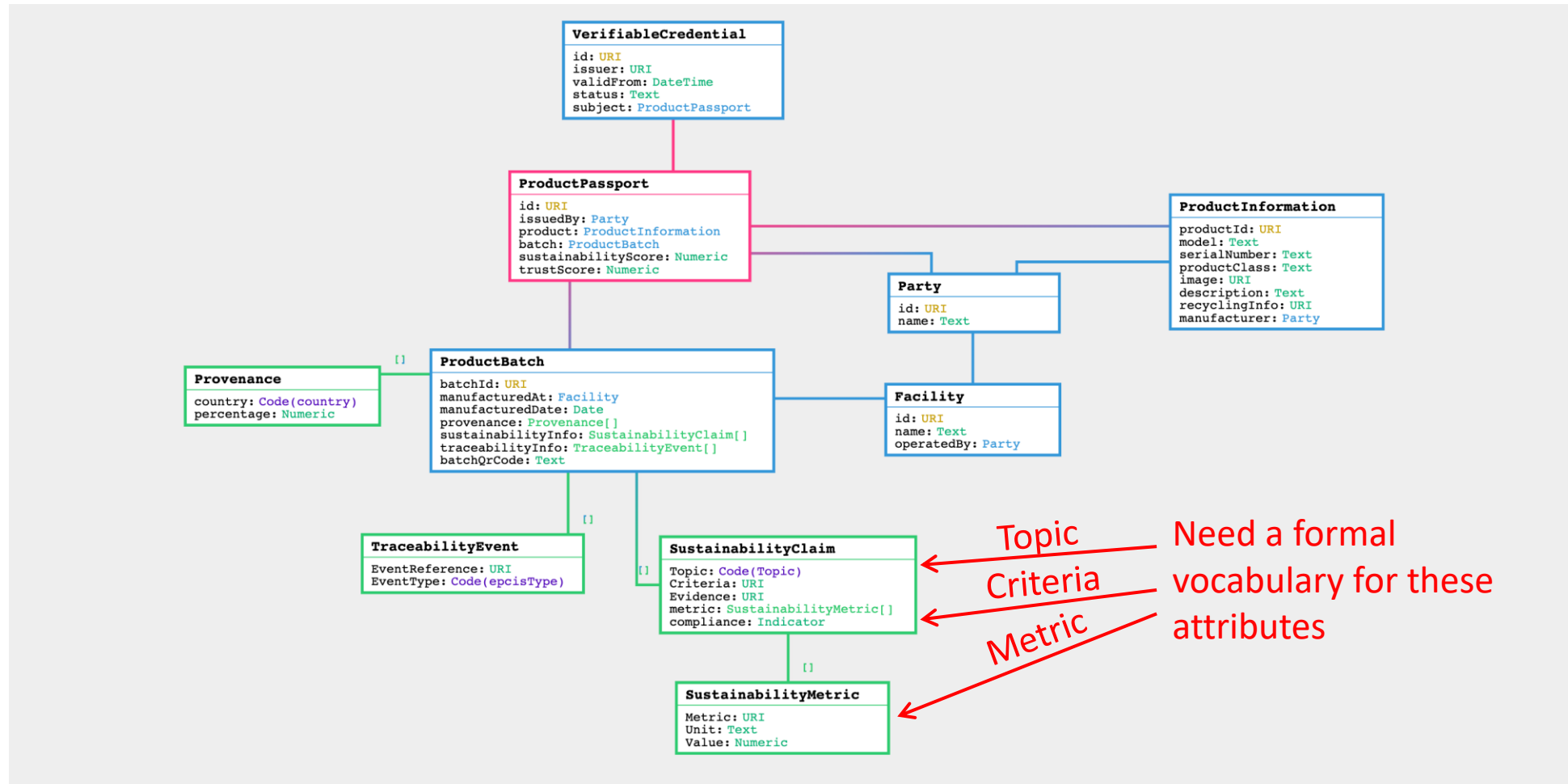
Hypothesis – if every product consignment moving between supply chain actors is accompanied by a simple B2B product passport that contains only the minimum necessary machine readable ESG metrics at the right granularity for the next actor then aggregation across value chains will be simple automatable and scalable. Complex supporting evidence for human audit should be discoverable from but not carried in the passport. Eg Mine consignment Co2e is added to Chemical plant scope 3.



The CRM DPP and associated ESG metric vocabulary if successful could be generalised for other domains like agriculture, construction, and textiles

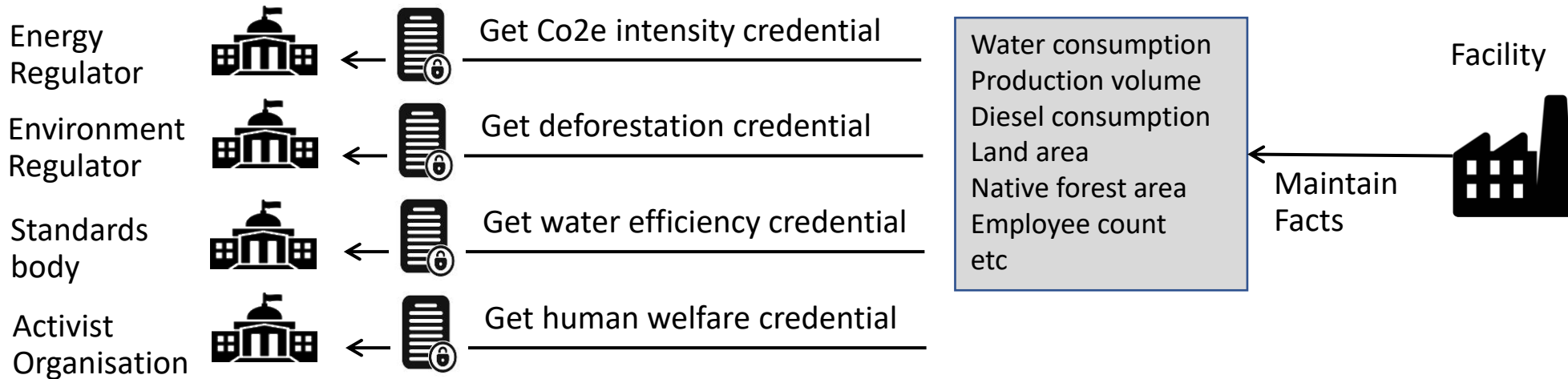
Here's a first pass at a B2B DPP

<https://jargon.sh/user/unece/DigitalProductPassport/v/working/artefacts/readme/render>



Optional deliverable – machine readable rules

Hypothesis – separating ESG facts from the assessment of those facts against multiple standards & regulations could dramatically simplify the compliance landscape. If every standards body and regulator provided an calculator/assessment API then supply chain actors could manage only their facts and then easily submit those facts to dozens or hundreds of different objective assessment services.



Compliance / calculator APIs for the CRM domain, if successful, could provide a general pattern for ESG compliance “rules as code” that is re-usable in other domains.



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Thank you!

Steve Capell
Steve.capell@gmail.com
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