



41st UN/CEFACT FORUM

2-5 OCTOBER 2023 | BANGKOK | THAILAND

Session 1: Introduction to the Critical Raw Material Traceability & Sustainability Project

Speakers



Nancy Norris

Senior Director of
ESG & Digital Trust



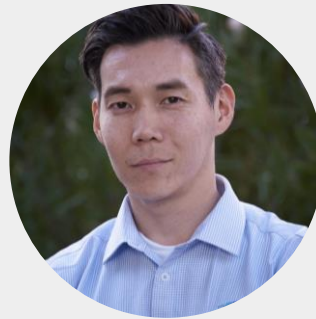
Steve Capell

Managing Director



Jeanne Huang

Workstream Lead



Dr. Prok Vasilyev

Workstream Lead



Zachary Zeus

Workstream Lead

Agenda

10:30-10:50

Nancy Norris:
Critical Raw Material Project Overview

10:50-11:10

Steve Capell:
Making Sense of Sustainability Claims

11:10-11:30

Zachary Zeus:
Traceability from Mine to Recycled Product

11:30 -11:50

Jeanne Huang:
A Legal Perspective

11:50 – 12:10

Prok Vasilyev:
Proving the Model with Implementation Pilots

12:10 – 12:30

Nancy Norris:
Wrap-up, Discussion, and Next Steps

Principles



Consensus Driven & Collaborative

The UN/CEFACT Open Development Process is consensus driven, collaborative, open and transparent.



Practical

The project will define and deliver practical ways to add value. We will build useable tools that facilitate global implementations.



Strategically Aligned

This project is aligned with the UN Sustainable Development Goals.

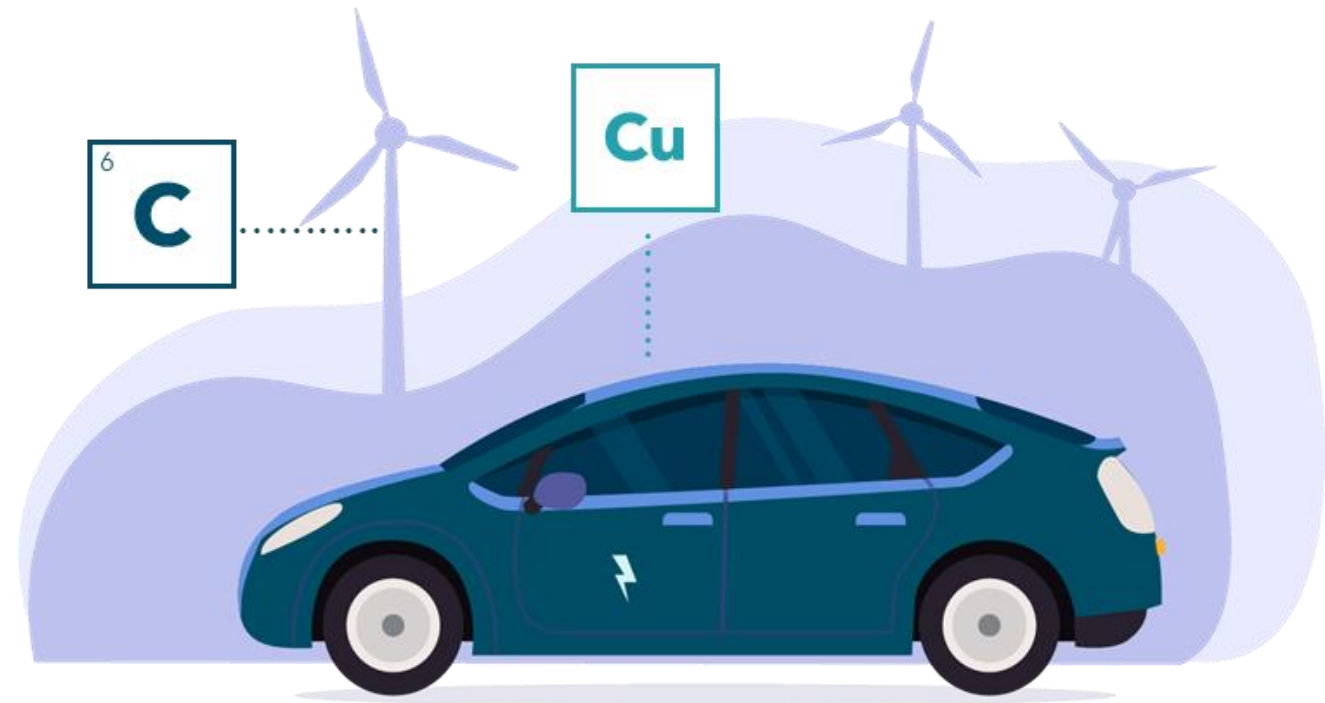


Informed

We will build upon work already completed and underway by UN/CEFACT and other organizations and initiatives.

CRM Project Goal

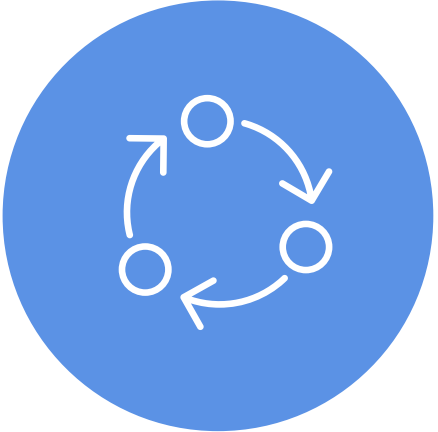
Uplift critical raw material supply chain resilience and sustainability



The Significance of Critical Raw Materials in Our Lives



Critical Raw Materials



Resilient & Sustainable Supply Chains



Traceability & Transparency Tools

Some of the Drivers for Resilient & Sustainable CRM Supply Chains



**Growing Demand for
CRMs**



**Growing Demand for
Trusted ESG
Disclosure**



**Lack of ESG
Harmonization**

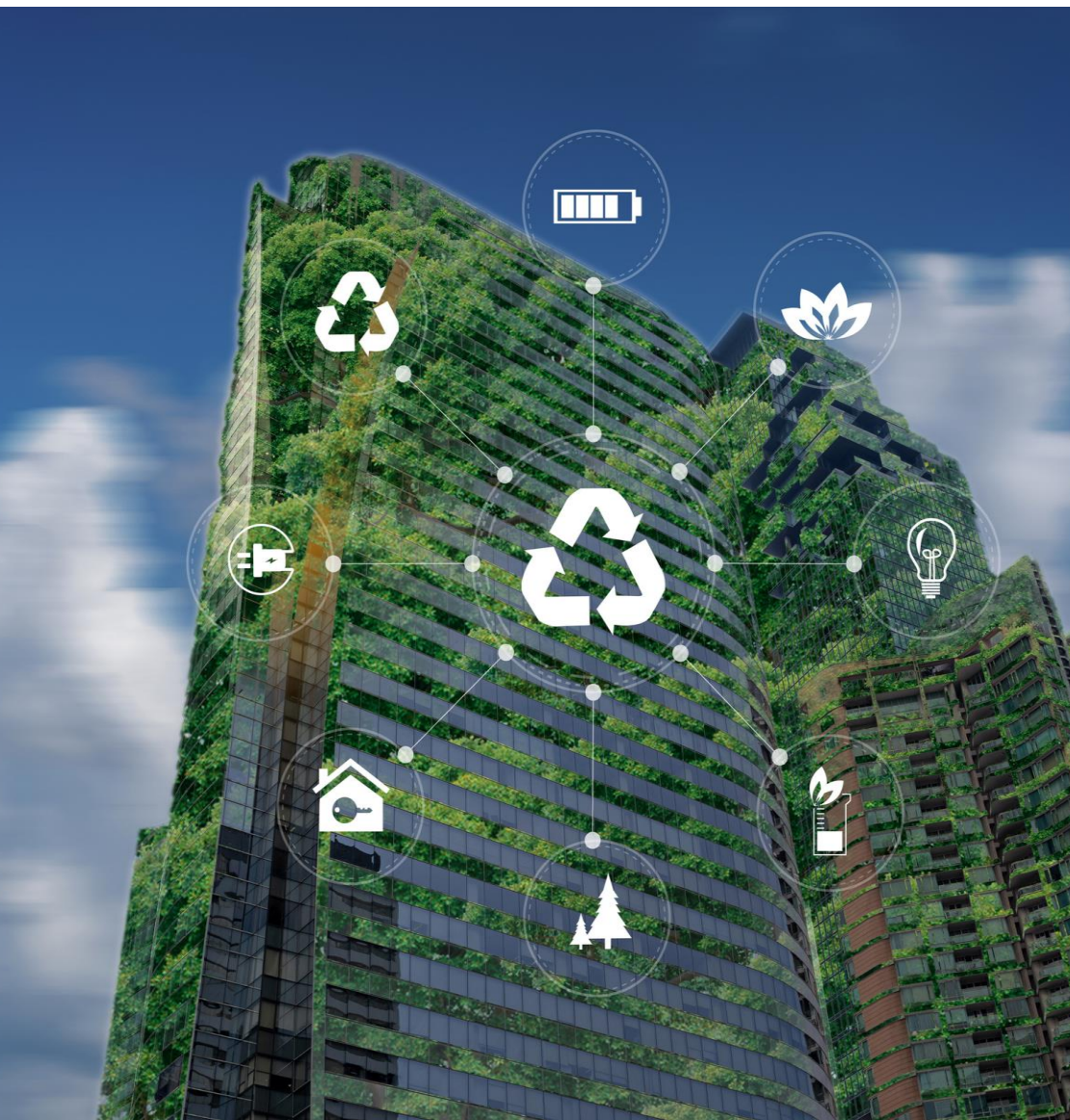


**Lack of Technical
Interoperability**



**Need for Global
Perspective**

Tackling greenwashing



As regulatory and consumer pressures drive demand for sustainable goods, the commercial incentive to make fake sustainability claims will increase.

59%

of environmental claims are not backed by evidence. 42% were deemed deceptive.

68%

of executives admit their company is guilty of greenwashing.

78%

of consumers believe that companies should be environmentally responsible.

The UNECE Framework Initiative

Enhancing Traceability and Transparency of Sustainable Value Chains in the Garment and Footwear Industry:



+250 project experts



+33 consultation meetings **+2000** participants



+900 experts in the wide network



+190,000 companies represented



Blockchain pilots **+70 partners** (brands-manufacturers, IGOs, standard setters, academia/start-ups)



+30 countries

The Toolbox



01. Policy Recommendation & Call to Action

Adopted in April 2021



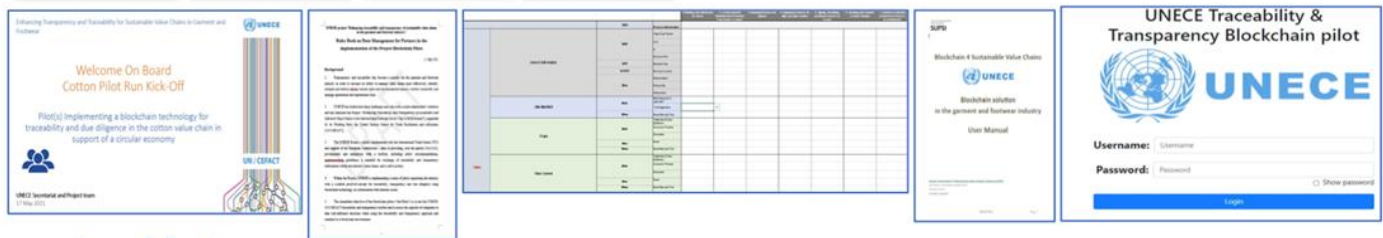
02. Traceability & Transparency Standard & Imp Guidelines

Adopted in April 2021



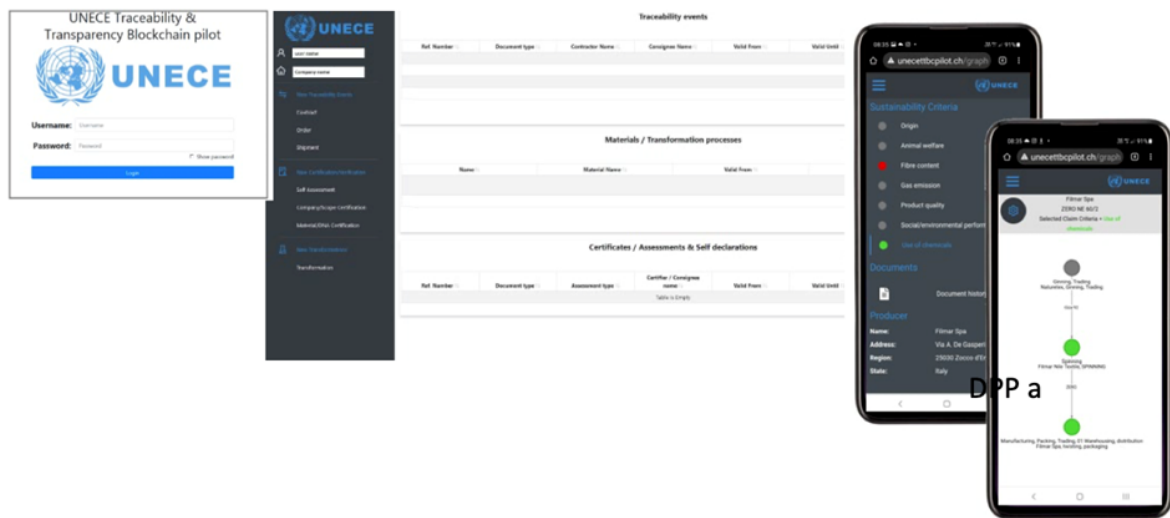
03. Blockchain Pilots & Capacity Building

Ongoing



Implementations from 70 partners and 21 countries

Blockchain pilot landing page and interface



Highlights

- **+70 partners** in the value chains
- **21 countries** from developed to emerging economies
- Blockchain potential:
 - Increase **trust** for sustainability claims
 - Enhance **B2B and B2C communication**
 - Improve **access to reliable information**
 - Develop **transparency and traceability**

Key Findings and Recommendations

Policy makers

- **Regulations and Standards**
- Inclusive global **Ecosystem**
- **Capacity-building/tech-transfer**

Industry actors

- **Commitment** on sustainability
- Supply chain **collaboration**
- **Investments** in technology
- **Trade and digitalization**
- **Business opportunities**

CSOs & Standard Bodies

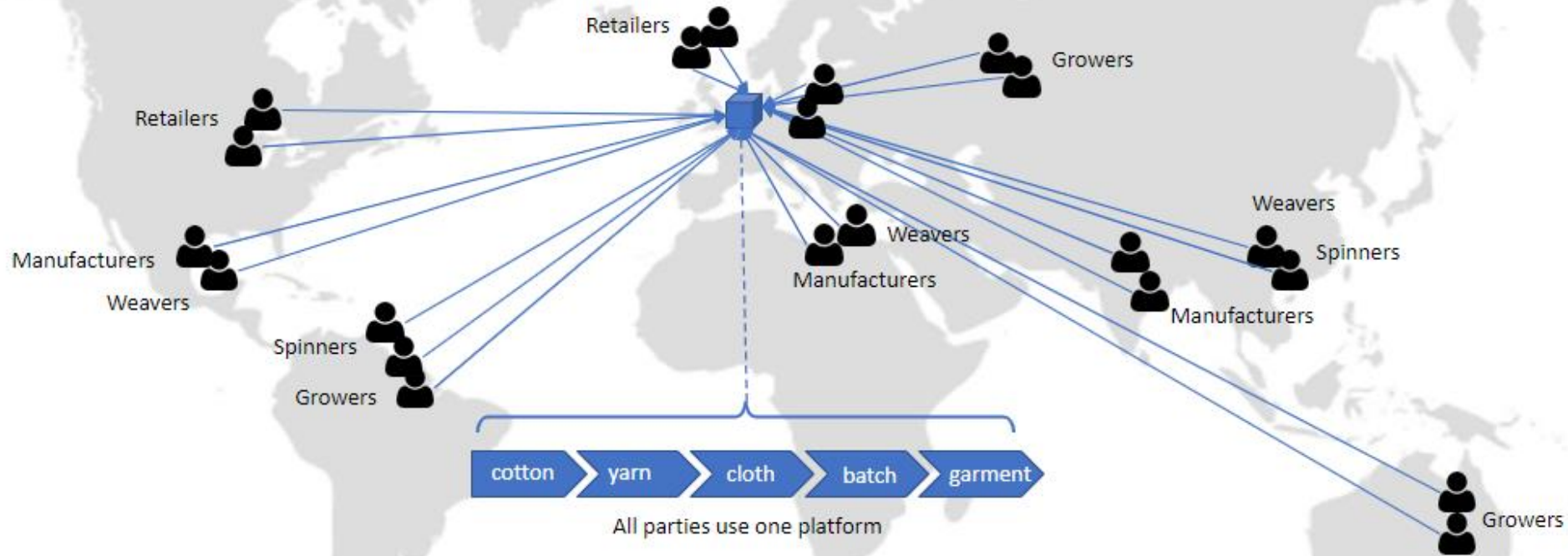
- Ecosystem **integration**
- **Verification** and monitoring
- **Digital** validation mechanisms
- **Visibility** of supply chain actors

Technology service providers

- **Scalability** to large scale in the industry
- **Interoperability** of IT systems and evolving technologies (blockchain/ AI/ IoT/ etc.)

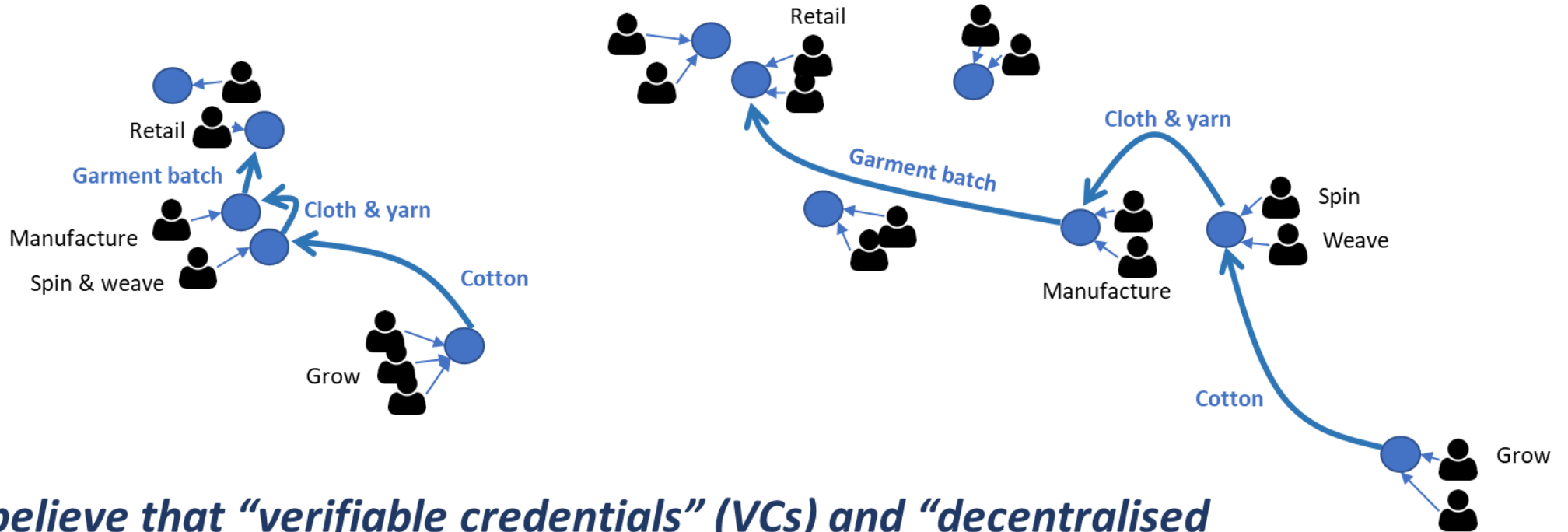
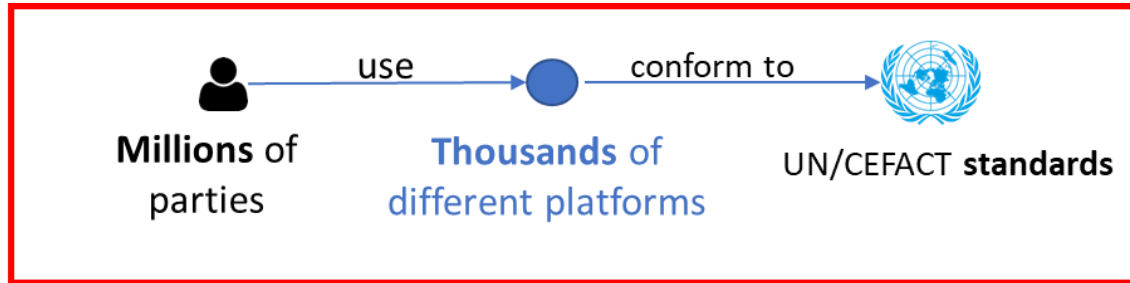
Finding #1: Centralized Solutions Can't Scale

E.g. "Everyone should use my blockchain"



This approach will never work at scale.

Focus on Decentralisation



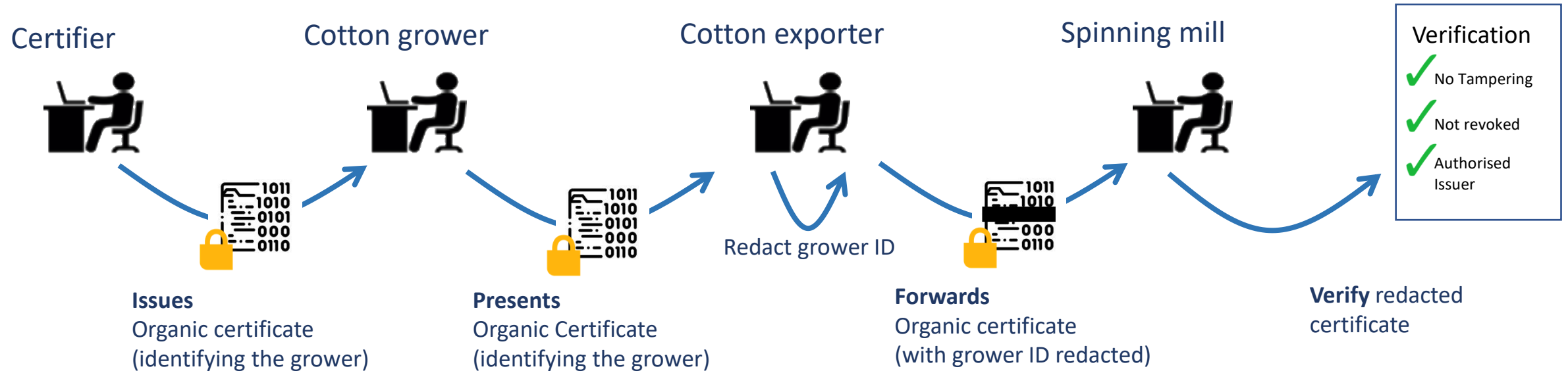
We believe that “verifiable credentials” (VCs) and “decentralised identifiers” (DID) are likely to be key to unlocking scalable trust.

Finding #2: Transitioning from a Paper-Based World

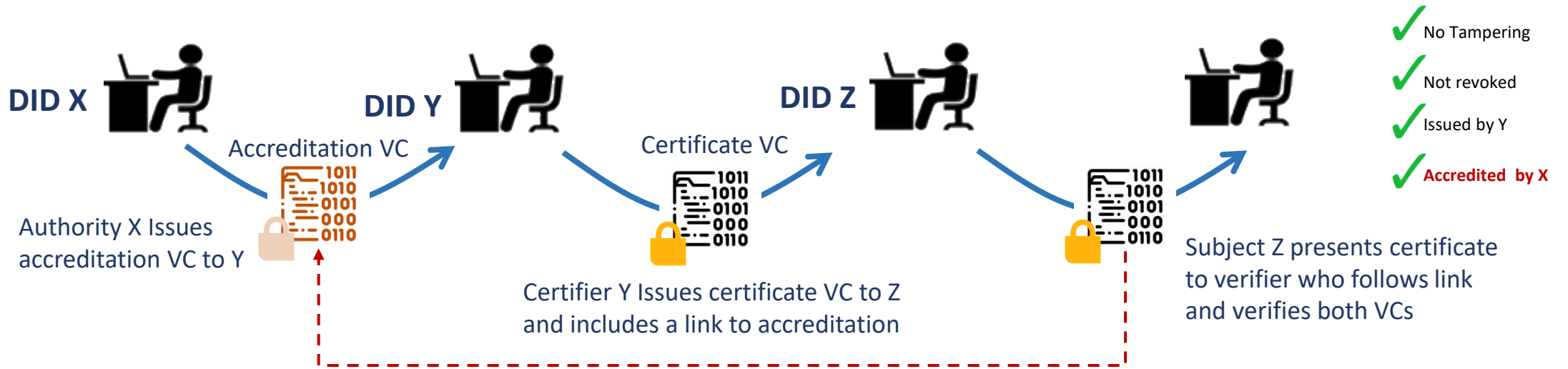


- Paper rendering of digital credentials that allow digital data to “hop” a paper step.
- Large language models to “make sense” of conformity data that is extracted from paper certificates.

Finding #3: Managing Commercial Sensitivity



Finding #4: How Can I Trust Your Claims?



Finding #5: Linking the Digital to the Physical



Digital data is good but what if I can see sustainability evidence, but it's not about the product I'm buying?

For example:

1. Product substitution
2. Mass balance fraud

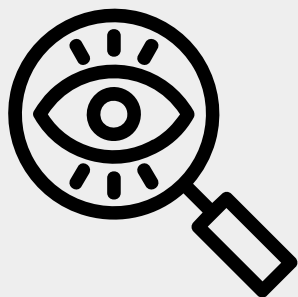
Finding #6: What do the Claims Really Mean?



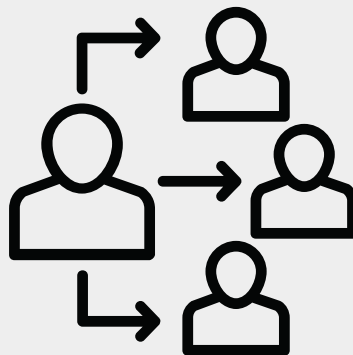
- Sustainability is a global concern but is usually addressed by local entities that follow local standards and regulations.
- The International Trade Centre (ITC) has assessed 350 sustainability standards and has mapped them to a harmonised vocabulary.
- The challenge here is how to determine whether claims made in one jurisdiction map to criteria demanded by another.

We believe that a harmonised vocabulary will be an important part of our deliverables.

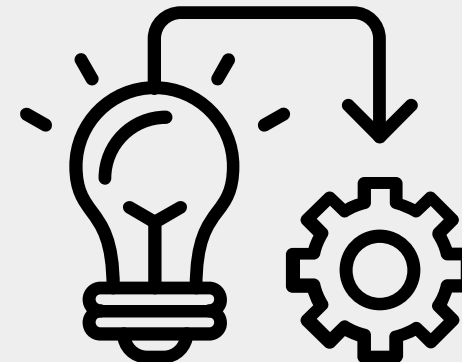
Types of Participation



Observer



Contributor



Implementer

Subgroups



Traceability Interoperability



Sustainability Mapping



Legal/Ethical



DRC Cobalt Implementation



Copper Implementation



Lithium Implementation

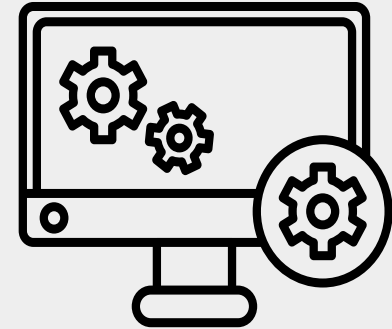
Who should participate in the CRM Project



**Primary
Producers &
Manufacturers**



**Certifiers,
Auditors, and
Standards Setters**



**Software
Providers**

List of Values for Asian Actors



Legal Insights



Sustainability Criteria Mapping



Understanding Global Impact



Compliance Awareness



Traceability Solutions



Networking and Collaboration

Call for Participation



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Steve Capell

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Join us for Session 2:

Focus on mid-stream Asian CRM supply chain actors (challenges & opportunities)

03 October 2023 10:30 - 12:30 ICT



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Thank you!

Nancy Norris
Senior Director of ESG & Digital Trust

Date: 09 | 28 | 2023