

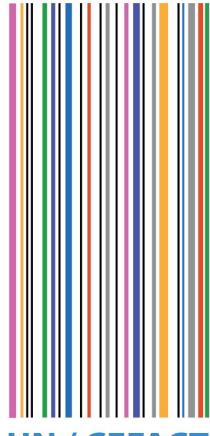
Transparency at Scale

UNECE recommendation 49

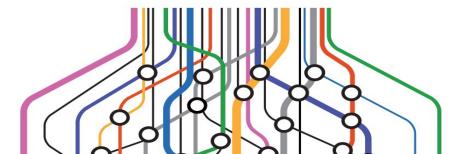
UN Transparency Protocol (UNTP)

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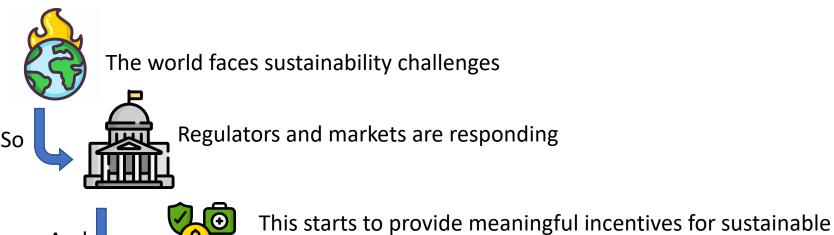


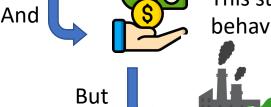


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The motivation for recommendation rec49 (UNTP)





The same incentives encourage more greenwashing



To maintain the <u>value</u> of the incentives we need to combat greenwashing through transparency – at the scale digitisation allows



There are a lot of <u>challenges</u> to achieving supply chain transparency at scale – hence recommendation 49

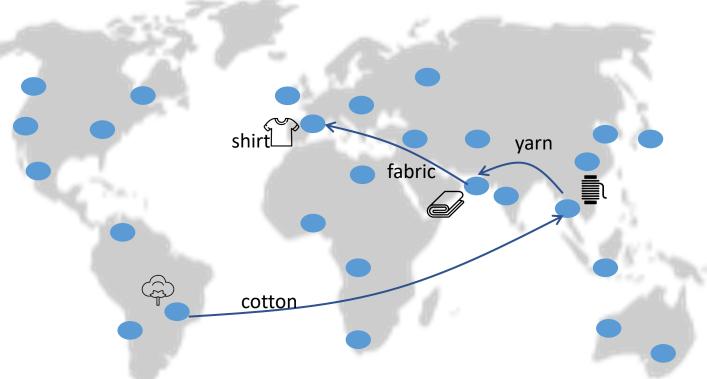
Challenge #1 – a plethora of platforms

Depending on your value chain partners to choose the same traceability & transparency platform as you is like saying "I can trade with anyone so long as they have an account at my bank". It cannot work at scale.

#1 – UNTP is an interoperability protocol, not a platform

Leave data where it is but link it together when needed using decentralised events.

Use any software you like – so long as it conforms to UNTP.



Thousands of platforms, millions of value-chains, billions of transactions



Based on

GS1 EPCIS

UNTP

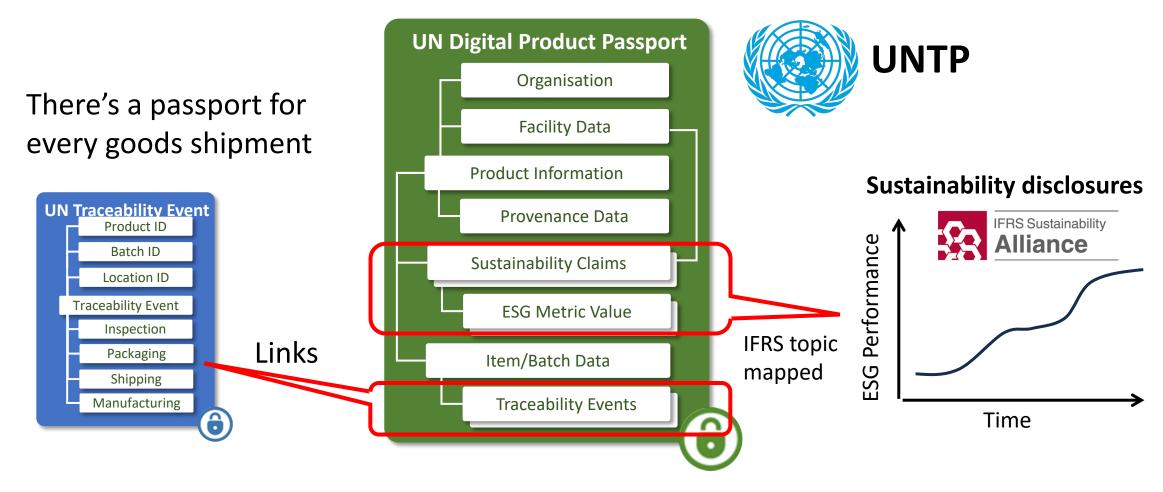


Challenge #2 – business incentives

Common industry practice today is to use industry averages for upstream supply chain sustainability performance. But this effectively remove all incentives. Why would an upstream supplier improve product sustainability downstream buyers don't differentiate?

#2 – The UNTP passport is a bundle of differentiated value

ESG performance can only improve with informed and differentiated supply decisions. DPP claims are categorised for easy IFRS mapping.

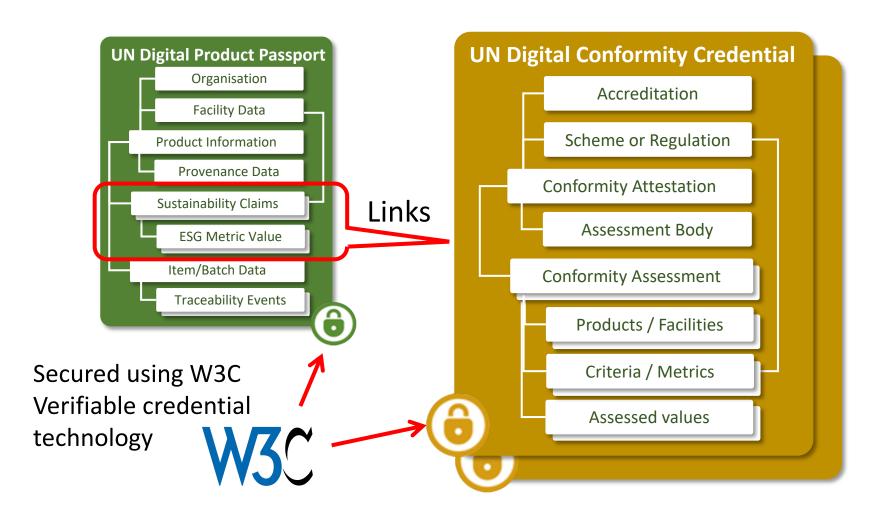


Challenge #3 – greenwashing & due-diligence

Greenwashing is already endemic. Differentiated supply decisions will provide even stronger incentives to make false claims. Due diligence regulations may impose liabilities on organisations for false claims from their suppliers. How to add sufficient **trust** to the system?

#3 – UNTP includes <u>verifiable conformity evidence</u>

Digital product conformity credential - developed in conjunction with national accreditation authorities and conformity assessment bodies.



UNTP



Linked to passport and supports 2nd party, 3rd party, formal, & informal verification

ILAC MRA aligned



Challenge #4 – commercial confidentiality

Whilst "sunlight is the best auditor", increased transparency also increases risk of leakage of commercially sensitive information. What one party considers confidential, another may not.

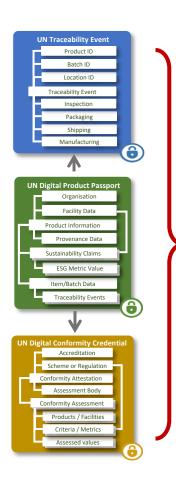
#4 – UNTP includes a privacy & security toolkit

Six tools that allow UNTP implementers to choose their own balance between confidentiality and transparency.

UNTP Traceability Events

UNTP Product Passports

UNTP Conformity Credentials



Apply the right pattern to the right data





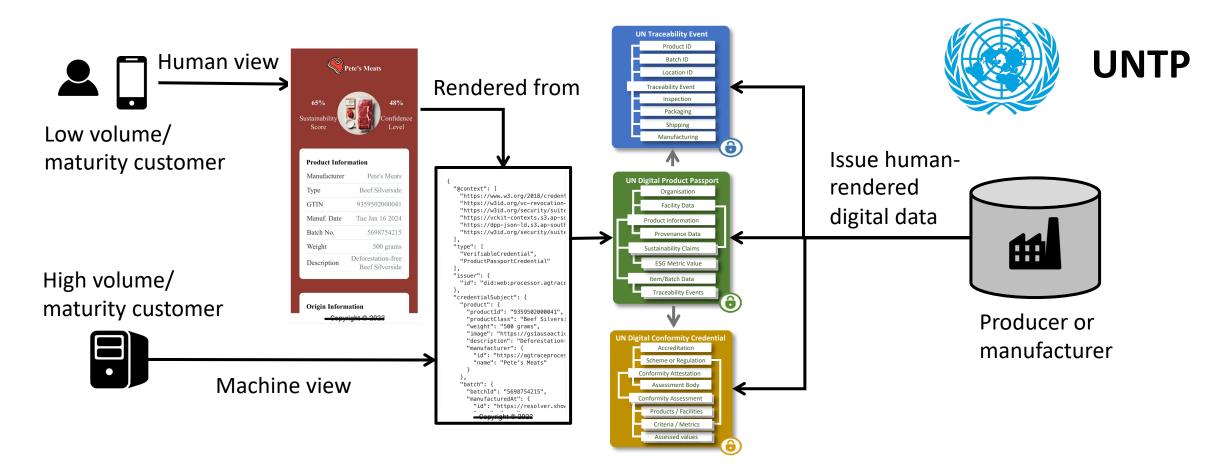
Different data needs different levels of protection.

Challenge #5 – unequal digital maturity and adoption

UNTP is a digital protocol. If it only worked when every supply chain actor is digitally mature and connected, then nobody would start.

#5 – UNTP allows implementation without dependency

The same UNTP data is always BOTH human and machine readable. So implementers can go digital without dependency on other's maturity.

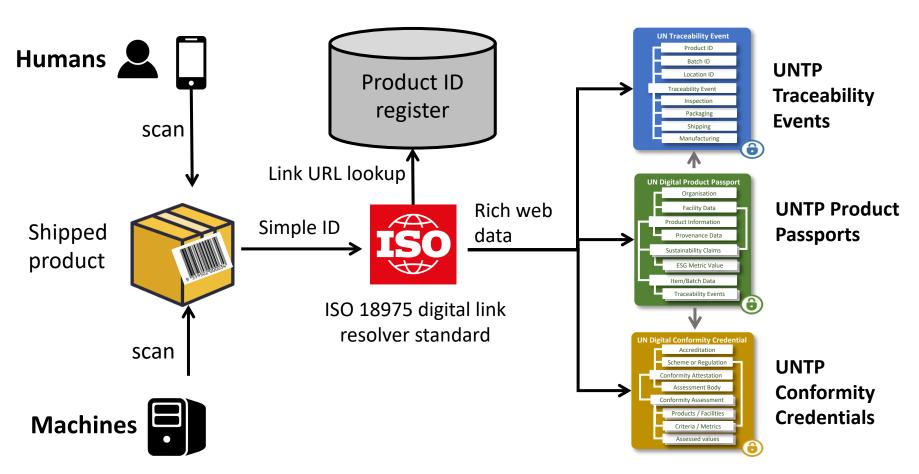


Challenge #6 – compatibility with existing identifiers

Industry uses well established identifier schemes (eg GS1 GTINs) that one actor cannot change without impacting others. Imposing any transparency scheme that requires new product identifiers or registers would present an enormous barrier.

#6 – UNTP leverages existing identifiers and link resolvers

Rich UNTP data is linked-to and discoverable-from existing industry identifiers, even when they are simple 1-D barcodes.





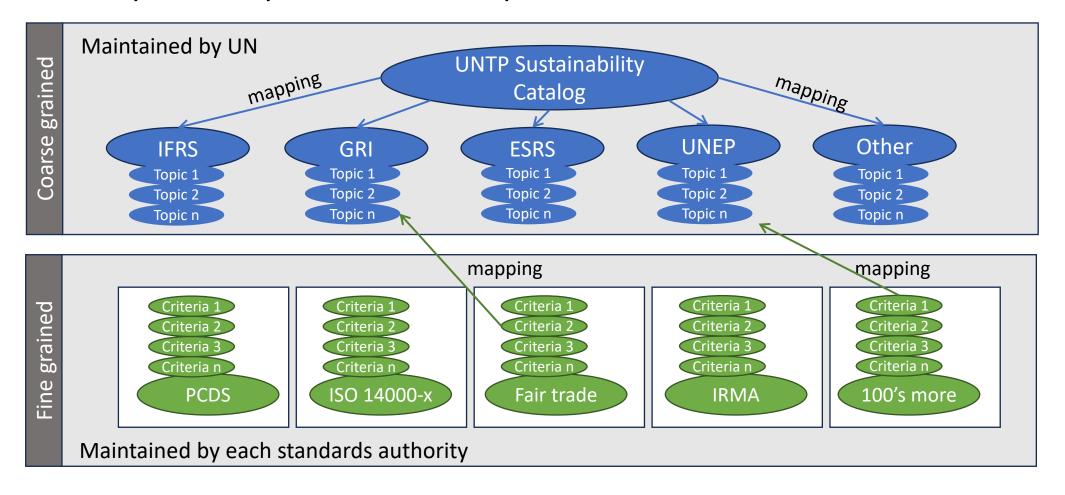
There's no need to connect system-to-system. Data is always discoverable from the product or batch identifier.

Challenge #7 – mapping different ESG claims

There are dozens of ESG classification schemes (IFRS, ESRS, GRI, UNEP, etc) and hundreds of ESG standards / specifications, each with multiple criteria. Any given claim in a DPP or assessment in a conformity credential will typically be made against any one of thousands of standard criteria and may (or may not) be classified using any one of dozens of schemes. In this complexity, how can consumers of passport data make any sense of the sustainability claims?

#7 – ESG Vocabulary mapping architecture

UNTP maintains a coarse-grained catalog (using W3C DCAT and SKOS) that maps well established vocabularies so that when any credential maps their claims to any vocabulary then they can be universally understood.



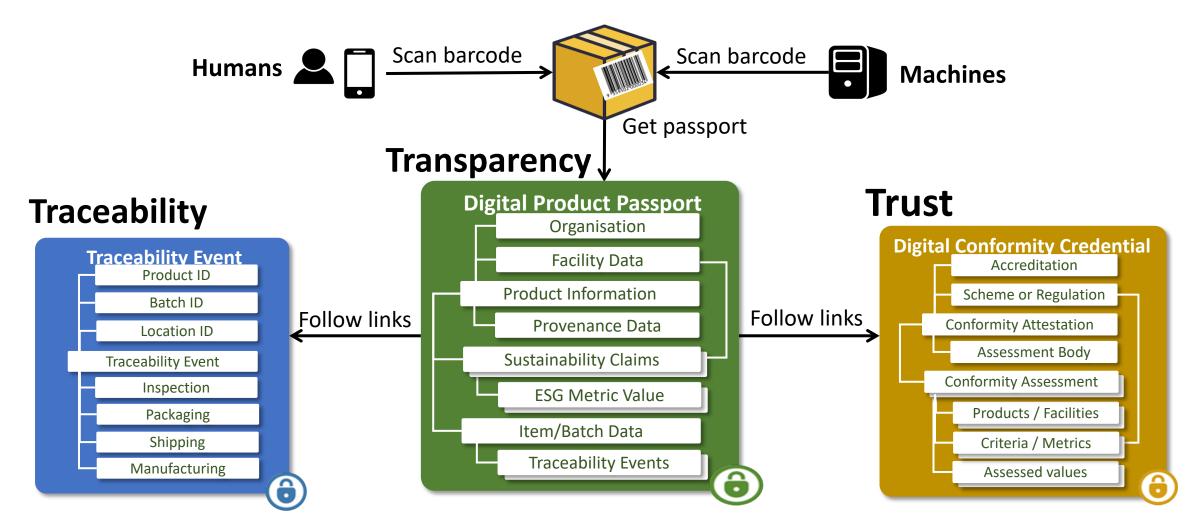
And there's more challenges

- #8 Managing identity fraud.
- #9 Counterfeiting
- #10 Mass balance fraud

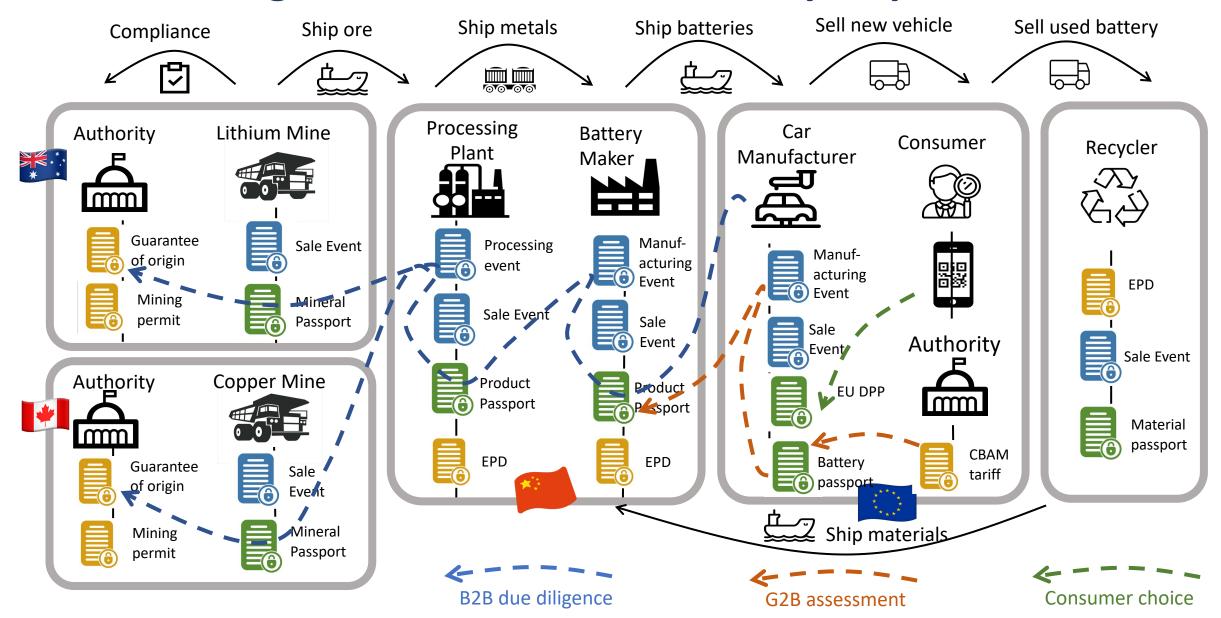
We've thought about these challenges and will add some optional extra tools to UNTP to address them.

Putting it together – what each implementer does.

Issue a DPP for each product you ship and optionally attach conformity credentials and traceability events. Make the data discoverable from the product ID.



Puttin it together – entire value chain perspective



Why UNTP? What about other DPPs?

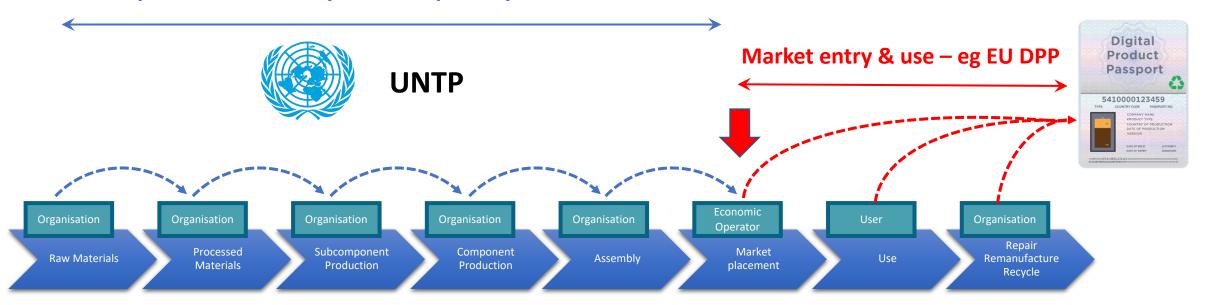
There are many similar initiatives happening around the world. Some are regulatory mandates, and some have strong industry support. Why should I implement UNTP?

- 1. Cross-border upstream focus complements regulatory initiatives
- 2. Cross-industry core supports industry sector initiatives.
- 3. Complete yet simple solution with a lot of re-usable capability.

Every regulated market has cross-border supply

UNTP is complementary to regulatory product passports – it provides the high integrity **upstream data feedstock** to inform regulatory passports.

Upstream traceability and transparency – UN DPP

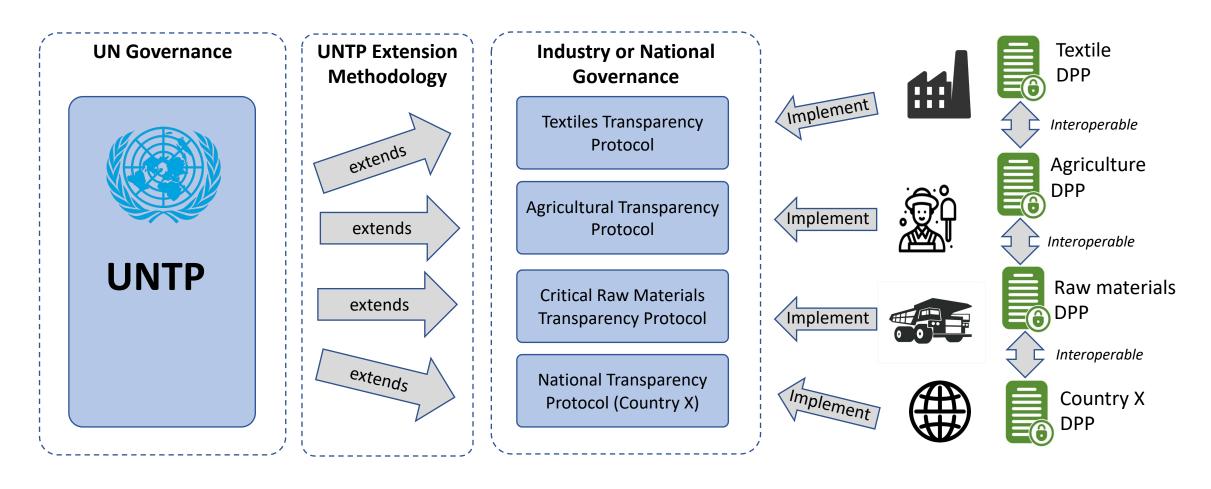






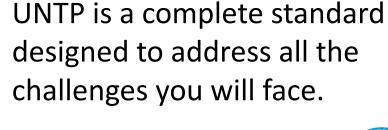
Every industry needs supply from other sectors

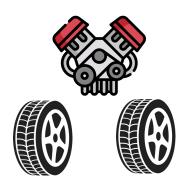
UNTP provides a cross-industry re-usable "core". Industry can create non-breaking extensions that suit their needs whilst maintaining **cross-industry interoperability**.



A complete solution and simpler than you think

Other standards may include some useful parts – but leave you to assemble them.









There is some new-ish technology involved (e.g. verifiable credentials) but it solves real problems and is simple to implement (e.g. 9 lines of code in the Australian pilot)

UNTP - Winning the race to the top

There is already a significant difference between consumer expectation and market behaviour. There are two plausible pathways out of this:

Either: A race to the top

Greenwashing is rare and has nowhere to hide

Or: A race to the bottom

Greenwashing is ubiquitous and undetectable



quality of claims

2. Consumer confidence improves

3. Higher prices are justified



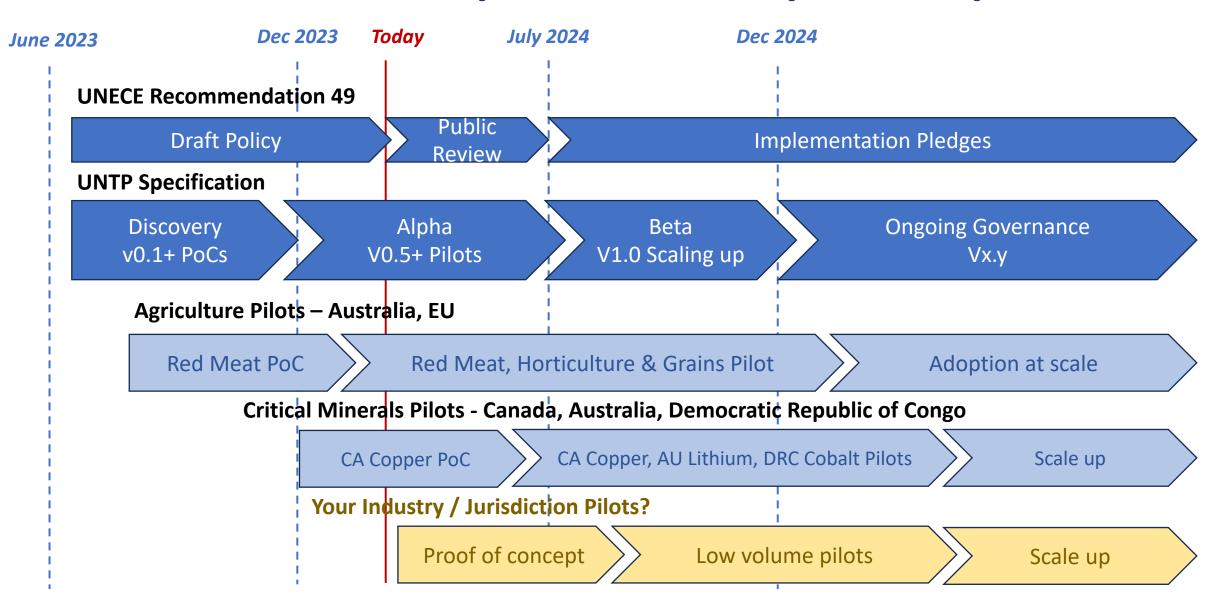
4. Even well-intentioned businesses must fake claims to survive.

3. Low confidence means no price differential

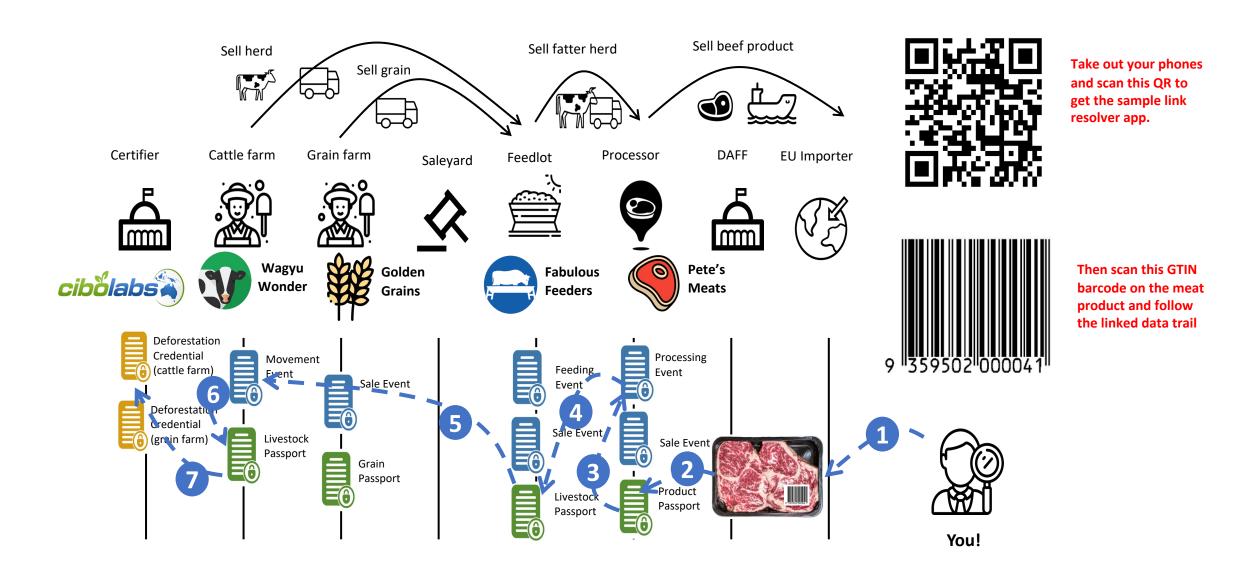


UNTP – winning the race to the top

UNTP – timeline for protocol development & pilots



Try it yourself – the Australian Agriculture UNTP pilot



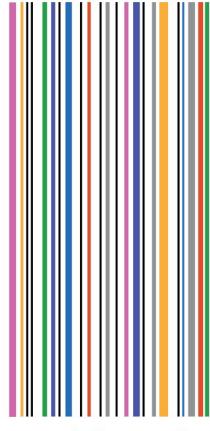


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https://uncefact.github.io/spec-untp/





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