



# ISEAL x Blockchain

## Hypotheses and milestones

### Overview

After two days of workshop in London, learning about blockchain technologies and its potential applications for ISEAL members, the group came up with a number of hypotheses to be tested on a real supply chain. It was decided that **chain of custody (CoC) solutions across certifiers** would be the focus of the upcoming pilot whose milestones are described at the end of this document.

### Workshop hypotheses

#### Chain of custody

- “We believe blockchain can enable efficiencies through automatic verification of CoC”
- “We believe blockchain can enable actors at the end of the supply chain to know the origin without needing to know the actors in between”
- “We believe blockchain can reduce double counting and double auditing in case of multiple certifications”

#### Data collaboration

- “We believe blockchain can enable us to triangulate new data sources e.g. satellite data to prove impact”
- “We believe blockchain can enable multiple certifications’ data to be brought together in one hub and tracked throughout the supply chain”
- “We believe blockchain can reduce cost and work associated with audit and traceability systems for processors halfway through the chain, by increasing collaboration on data standards, infrastructure and reuse of audit data.”

#### Financial flows

- “We believe blockchain can help brands and retailers know how much of the ultimate premium price reaches the cooperatives or small holders”
- “We believe blockchain can help innovate by allowing brands to pay premiums directly to farmers”

### Trust in standards

- “We believe blockchain can help us see if consumers are interested in the origin and challenges in supply chains. We would know this is the case if we saw an increase in share of certified volumes sold.”

### Impact monitoring

- “We believe blockchain can prove net reduction in e.g. greenhouse gases”
- “We believe blockchain can help with Global Reporting Initiative (GRI) reporting”
- “We believe blockchain can enable high level impact benchmarking”
- “We believe blockchain can enable consensus on community level impact data”

### Chosen hypotheses

In order for the project to benefit ISEAL members at large, we decided that the next part of the project should focus on **chain of custody (CoC) solutions across certifiers:**

- “We believe blockchain can enable efficiencies through automatic verification of CoC”
- “We believe blockchain can enable actors at the end of the supply chain to know the origin without needing to know the actors in between”
- “We believe blockchain can reduce double counting and double auditing in case of multiple certifications”

The issue of double spending and double counting when multiple certifiers monitor the same supply chain emerged as the main driver for a common solution across actors.

Other hypotheses could represent opportunities to be explored in the future. They will however be outside of the scope of the upcoming pilot.

### Project milestones

| Date                         | Milestones  |
|------------------------------|---|
| End of October 2017          | Selected and confirmed the pilot supply chain and location                              |
| End of December 2017         | Confirmed detailed logistics and booked site visits for pilot implementation in January |
| January 2018 - February 2018 | Implementation of Pilot   |
| Mid February 2018            | Pilot completed   |
| End of March 2018            | Disseminate pilot results to all ISEAL members via online webinar                       |