CIRCULAR SUPPLY CHAIN

CLOSING THE LOOP: REWARDING SUSTAINABLE PRACTICES WITH BLOCKCHAIN

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The global value in "green trade" is rising in political and economic importance – topping $2 trillion a year. 2/3rds of global consumers are willing to pay more for sustainable goods. Nevertheless…today's economic and social models can still exacerbate inequalities, encourage waste, and increase threats to our environment and health.

That's partly because the small producers at the beginning of the sustainable supply chain get a mere sliver of the premium price paid for their goods.

What if we could empower consumers to directly reward small scale suppliers around the world that are committed to following sustainable practices? Imagine the impact if more people could fully participate in the growing value of the green economy?

With a powerful combination of blockchain, digital identity and payments technologies, we believe this is possible and imperative.

Here's how it works: Using an app on their phone, a producer—in this case, a coffee farmer, creates a profile. At his cooperative, his biometrics and photo for facial recognition are securely captured and verified. Several steps are taken to create his unique identifier, using multiple security protocols.

This identifier is then recorded on the blockchain, which acts as an index with links to all applicable data—including things like his payment details so he can receive tips or his farm's inspection history and organic certifications. This makes it easy to locate, access and share information, without the farmer's personal data being stored on the blockchain.

The farmer is **always** in control of their data, determining which information is part of their public profile or what details will be linked to a particular product as it moves through the supply chain.

He can also use the app as a management tool to keep track of product registrations, check his tip balance, renew certifications and prepare a harvest for shipment.

When a shipment is ready and registered, a barcode is automatically generated, embedding information about the coffee, the farmer and his farm (like its organic certification.) These details, and each step the shipment takes along the journey, are traceable as it moves across the supply chain. From farmers to processors to grocery store shelves and finally, to end consumers where a simple scan not only tells the story of their sustainably-sourced coffee and the farmers that grew it but empowers them to say thank you via a secure tip.

The benefit is a circular supply chain that goes beyond where it started and creates a closer connection between consumers and small growers. The hope is by aligning incentives we can empower an inclusive economy that encourages the actions to continue to mitigate environmental impact.

Accenture has developed this capability, but it's just a start. We invite you to join us as we collaborate to build a more sustainable and inclusive world.