



## Technical Committee Charter - Draft

**This is a draft proposal.** It has not been submitted to or accepted by OASIS Open.

### Section 1: TC Charter

#### (1)(a) TC Name

Recycled Commodities Framework TC (ReCoF)

#### (1)(b) Statement of Purpose

There is no globally recognized standardized authentication process to describe and verify the origin of recycled commodities, and track their use through the supply chain. In addition, there is no standard addressing how businesses account for the environmental impact of recycled materials in their environmental reporting. Supply chain transactions increasingly require structured electronic data formats and traceability. Suppliers of recycled materials also face challenges in maximizing value and navigating a fragmented market.

A rapidly changing business and regulatory environment demands that this information be made available in useful ways and be followed and applied to components and finished goods. This requires an industry-led open standard to maximize value creation and increase market demand for compliance and impact statements.

In spite of this demand, standardized and universal measurements are lacking. Assertions about materials quality, source and recycled content often made in formats that are unstructured and not comparable. Measurement systems vary, and different actors in the supply chain provide data that is neither interoperable nor readily comparable.

In ReCoF, industry stakeholders, experts, and regulatory stakeholders will define a supply-chain-aware data standards framework, for quantifiable and consistent ESG data. ReCoF reporting methodologies, reached by stakeholder consensus, will help integrate

sustainability into reporting and management processes, and enable suppliers to not just meet, but also verify their compliance with, regulatory and disclosure demands.

ReCoF will address the recycling industry's most pressing environmental compliance challenges:

#### DATA AVAILABILITY

- Accessing sets of high-quality quantifiable ESG private market data, provided in voluntary and contractual agreed processes.

#### DATA SEGREGATION

- Integrating financial and non-financial disclosure information into a single platform.

#### DATA OWNERSHIP AND GOVERNANCE

- Standardizing data verification, traceability, and certification frameworks, in support of the data suppliers, and to reduce the overhead of multiple disclosure and attestation systems caused by disparate supply chains or local regulations.

#### INDUSTRY ALIGNMENT

- Delivering access to a single data framework that fulfills the needs of raw materials suppliers and brokers, designers, principal manufacturers, Tier 1 suppliers, and wholesale and retail outlets.

#### NEED FOR STANDARDS

- Providing simplified, universal metrics that let companies gain a holistic view of their operations and portfolios and, when required, report accurately to trade regulators, supply chain partners, and consumers

#### INDUSTRY BENCHMARKS

- Enabling peer-group comparison through industry benchmarks.

#### ANALYTICAL TOOLS

- Allowing companies to make sense of their data and act on risks by delivering quantifiable, reliable, and actionable intelligence.

#### CAPITALIZING ON COMPLIANCE

- Enabling the trade of ECs and empowering global efforts to meet new carbon cost and emissions guidelines and requirements

The intent of ReCoF is three-fold:

- 1) Develop universally-accepted standards, paving the way to validate ECs and carbon offsets and helping support a global marketplace that effectively drives worldwide carbon emissions reduction.
- 2) Employ simple, reusable, and extensible data methods so that the effort of reporting can be minimized, and repeated across industries and use cases,
- 3) Provide the framework for the formation of DLT (distributed ledger technology)-enabled registries to assure the authenticity and the proof of provenance of EC, using established blockchain methods.

The operation of such data registries is expected to be outside the scope of ReCoF, which will provide a data exchange framework that allows stakeholders to easily organize and operate registries.

The ReCoF TC intends to form sector-led technical working groups for areas of high demand for and industry interest in circularity and ESG goals. They are expected to include: secondary metals, mining and minerals, apparel and footwear, technology and electronics, trade finance, natural capital, and other areas identified by our members.

### **(1)(c) Business Benefits**

The standards developed by ReCoF members will have a profound impact on making executional compliance with international regulatory principles a reality.

ReCoF will enable:

- Proof of provenance or authentication of asset claims
- Reliable verification and standard accounting of carbon credits
- Efficient, automated exchange of environmental assets
- Real-time marketplace valuation of assets.
- Elimination of duplicate efforts and conflicting standards

Specific benefits for global trade supply chain participants, as well as regulators, will include:

- Independent assessment and audit of asset value claims
- Government, not-for-profit and multinational enterprise adoption of a common set of standards and data
- Improved liquidity to accelerate scale.
- Compliance authentication for Scope 3 and other measures
- Efficiency and cost savings
- Greater adoption of carbon emission reduction strategies.
- Fraud and declaration risk reduction
- Reduced carbon cost and emissions

This list is not exhaustive. Industries, verticals, and products, along with corresponding beneficiaries, may be added as new participants and opportunities are identified.

#### **(1)(d) Scope**

The project scope will be to develop a uniform set of standards and definitions addressing the recording and exchanging of EC's in a manner that is accepted and adopted by a critical mass of highly involved global stakeholders.

ReCOF's data standards:

- will be reusable, and potentially extensible to other market criteria and metrics.
- will include sufficient specification of common measurement indicators, drawing from current best industry practices, and re-using rather than inventing new metrics wherever possible.
- will strive to be composable from widely-available, non-proprietary tooling and data elements, and existing well-known frameworks of measurement, rather than depending on single-source authorities.
- will include basic architectural structures, and may include best practices, for supply chain party-to-party data queries and exchanges, and for data that can 'roll up' and be included in statements regarding finishing products as well as reusable end-of-life products.

The standards will also provide a framework for the formation of DLT systems

#### **(1)(e) Deliverables**

The ReCoF TC intends to produce the following deliverables:

- A comprehensive data specification detailing standardized processes and schema for expressing relevant metrics and character of raw, unfinished and finished goods, identification of the parties making or certifying each assertion, and identification of the goods or materials to which the assertion(s) apply.
- A basic data architecture for the management of voluntary shared registries of data included in that specification.
- Implementation Guide: A handbook guiding industry stakeholders in implementing the standard(s)
- The project may also produce non-normative work products such as supporting documentation, proof-of-concept open source tooling, and other materials intended to encourage broad adoption and implementation of the project's specifications.

#### **(1)(f) IPR Mode**

ReCoF TC will operate under the royalty-free OASIS Non-Assertion IPR mode, as described in the [OASIS IPR Policy](#).

### **(1)(g) Audience**

Potential stakeholders include:

- Multinational corporations
- Governmental and non-governmental organizations
- Carbon generators and offsetters
- Commodity producers and material recyclers
- Financial markets, commodity traders, and financial institutions
- Anyone who benefits from carbon emission reduction

Vertical industries served include:

- Natural Capital / Carbon Credit
- Primary and Secondary Metals
- Apparel and Footwear
- Technology and Electronics
- Banking, Finance and Financial Markets
- Automotive
- Building and Construction
- Chemicals and Petroleum
- Consumer Goods and Packaging
- Energy and Utilities, Oil and Gas
- Food and Agriculture
- Healthcare and Life Sciences
- Industrial Products
- Retail

### **(1)(h) Language**

The primary language used for meetings and TC work products is English.

## **Section 2: Additional Information**

### **(2)(a) Identification of Similar Work**

This project represents an opportunity to help implement and execute the standards and principles established by the GHG Protocols (Greenhouse Gas Protocols - <https://ghgprotocol.org/>).

As multinationals, governments, and other entities address their Net Zero Carbon Goals and supply chain GHG Protocol Scope 3 regulatory frameworks, uniform standards are needed to enable parties worldwide to trade and reliably comply with the EU Corporate Sustainability Reporting Directive (CSRD) and other regulatory requirements and bodies that are springing forth worldwide in numerous countries and global markets. Furthermore, the European Union has recently reached a provisional agreement on the Critical Raw Materials Act which further elevates the importance of ReCoF.

(<https://www.consilium.europa.eu/en/infographics/critical-raw-materials/>)

Executionally, ReCoF standards will lay the foundation to establish registries, which will further aid in accounting, authentication, and transparency of reporting of GHG and offsetting environmental assets and will rely upon any existing protocols and standards that are considered relevant, appropriate, firmly established, and already universally accepted.

Further, given the need to standardize and authenticate products and transactions, the project may align with and complement other current OASIS projects, including widely-used data exchange and data registry methods, and e-invoicing and trade data standards (many of which are in global use and ISO-endorsed), as well as OASIS-hosted DLT projects.

ReCoF intends to heavily leverage the work product, processes, and methodology of other OASIS groups, and established open standards projects generally, rather than re-inventing existing data technologies.