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## Blockchain pilot aims to address cobalt supply chain concerns

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January 18, 2019 // By Rich Pell



**Ford Motor Company (Detroit, MI), Huayou Cobalt (Zhejiang, China), IBM (Armonk, NY), chemical company LG Chem (Seoul, South Korea), and global service provider RCS Global have launched a blockchain pilot program designed to address concerns in strategic mineral supply chains.**

Hoping to "infuse more transparency" into global mineral supply chains, the group - which includes participants at each major stage of the supply chain from mine to end-user - says it plans to use blockchain technology to trace and validate ethically sourced minerals. The announced pilot will be focused on cobalt and explore the creation of an open, industry-wide blockchain platform that could ultimately be used to trace and validate a range of minerals used in consumer products.

Cobalt is in high demand for its use in lithium-ion batteries, which power a wide range of products including laptops, mobile devices, and electric vehicles. According to some reports, demand for the mineral is expected to multiply eightfold by 2026, especially in electric vehicle and consumer applications where the typical electric car battery requires up to 20 pounds of cobalt and a standard laptop requires around one ounce of the mineral.

The blockchain pilot is already underway and seeks to demonstrate how materials in the supply chain are responsibly produced, traded, and processed. For this pilot based on a simulated sourcing

scenario, Cobalt produced at Huayou's industrial mine site in the Democratic Republic of Congo will be traced through the supply

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chain as it travels from mine and smelter to LG Chem's cathode plant

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and battery plant in South Korea, and finally into a Ford plant in the United States.

An immutable audit trail will be created on the blockchain, which will include corresponding data to provide evidence of the cobalt production from mine to end manufacturer. Participants in the network will be validated against responsible sourcing standards developed by the Organization for Economic Cooperation and Development (OECD).

Traditionally, miners, smelters, and consumer brands rely on third-party audits to establish compliance with generally accepted industry standards. Coupled with these assessments, blockchain technology offers a network of validated participants and immutable data that can be seen by all permissioned network participants in real