

AUTOMOTIVE

Volkswagen Group joins blockchain traceability project

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Volkswagen Group has joined a blockchain traceability initiative. Image courtesy of IBM

By STAFF REPORTS

German automaker Volkswagen Group is becoming part of a collaboration to use blockchain to source materials for cars in a more sustainable and transparent way.

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Originally launched in January and founded by partners including Ford Motor Company and IBM, the open group is working on a pilot program to trace cobalt from mines to end user. Volkswagen, the parent company of automakers including Audi and Porsche, is making a commitment to responsible sourcing and transparency with this move.

Traceability technology

Currently, the project is focused on using blockchain to trace cobalt, a mineral used in the production of lithium ion batteries. About 20 pounds of cobalt are needed per electric car battery.

This pilot is slated to be completed midyear.

The group plans to expand the scope of the collaboration to other minerals used in automotive manufacturing in the future.

Using the IBM Blockchain Platform, members are able to both contribute and access information.

Volkswagen sees this as a means to more easily monitor compliance with the Organization for Economic Cooperation and Development. The use of blockchain creates a centralized record that can be accessed by all members of the supply chain, potentially replacing the manual systems previously used to track the flow of materials.

The program is also aimed at giving smaller mines the ability to be more competitive through better transparency.



The project is looking to trace cobalt with blockchain. Image courtesy of IBM

While the group today is centered on automakers, it sees the potential for membership to extend to other industries such as aerospace and consumer electronics.

"With the growing demand for cobalt, this group has come together with clear objectives to illustrate how blockchain can be used for greater assurance around social responsibility in the mining supply chain," said Manish Chawla, general manager for global industrial products industry at IBM, in a statement at the time of the launch. "The initial work by these organizations will be used as a precedent for the rest of the industry to be further extended to help ensure transparency around the minerals going into our consumer goods."

Blockchain is being used in other sectors of the luxury business to promote transparency.

For instance, British jeweler De Beers is among the luxury companies already piloting blockchain tools, and the company plans to launch a diamond traceability platform.

Through Tracr, De Beers will be able to track diamonds from the mine to the retailer. Each jewel receives a unique Global Diamond ID that notes its carat, clarity and color ([see story](#)).

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