Global Traceability Software Solution
RADIX Tree

Timber Regulation Enforcement Exchange
Rome 2017
Introduction

• Global Traceability founded in 2010
  • Combination of institutional investors and private investors

• Radix Tree Platform launched in 2012
  • Joint development with leading DIY retailers

• Clients include: Unilever, DT Group, JAF Global, PEFC…
• Partnerships with NEPCon, MADE-BY, IN_TACT Systems

• Currently more than 70.000 organizations using the platform globally

• Radix Tree is a common platform open to all organisations
RADIX Tree

A cloud platform for supply chain partners to connect and share sustainability data on their products.
Key principles of RADIX Tree’s development

• Flexible, scalable, affordable

• Developed with DIY industry and EUTR solution in mind

• Data security: data is encrypted and stored securely

• Privacy: Company information only visible to first tier connections
Market focus

- Timber Industry (DIY, Timber Trade)
- Paper Industry
- Food industry
- Fashion/Textile Industry

Expertise

- Assessment of legal status of timber based products
- Assess the sustainability of raw materials
- Prove compliance EUTR, CITES, EUFLEGT and private schemes such as FSC & PEFC
- Authentication and brand protection
- Traceability

- Green house gasses reporting,
How it works – roll out process

A social network between supply chain partners
RADIX Tree and EUTR Due Diligence

**EUTR**

- **Data Collection**
  - Simplified data collection process. Documents easily uploaded to cloud

- **Risk Assessment**
  - All info in one place for risk assessment. Traffic light warning system and verification rules for identifying issues

- **Risk Mitigation**
  - Data assessed by operator, monitoring org, or other 3rd parties
  - Company takes necessary action: request more info, improve relationship with supplier, change material etc
Data Collection

User sets up company account and upload products to RADIX Tree

Users invite their suppliers to platform – (who can then invite their suppliers) and share the relevant product with them.
Data Collection

Supplier uploads and shares due diligence data and documents on the products.

User can now view all due diligence data from their suppliers in one place.

Multiple methods of data entry: online, excel, standby connections with ERP systems, apps (See next slide)
Methods of Data Entry

- Stakeholders
- Data source
- Data entry

Retailer
Processor
Sawmill
Forest

ERP
Automatic connection
Manual upload/entry

PLATFORM
Requests
Track and Trace

- Check plausibility of the product’s chain of custody
- Identify source of raw material
Traffic Light Warning System

Red and yellow lights alert users on the availability and validity of the due diligence data.

Validation rules can be customised by users for their requirements.

For example: **Red alert** if a supplier inputs a high risk country of origin or tree species, or has a missing or expiring PEFC certificate.
Traffic Light Warning System

EUTR risk assessment reports can be uploaded with an expiry date. The system warns the users prior to the expiry date.
Involvement of monitoring organisations/authorities

A company’s due diligence documentation and information can then be assessed by the operator or monitoring organisation/authorities/other service providers.

Monitoring organisations and authorities can be set up with a dedicated account to view the data within their remit.
Advantages for authorities

The data is provided, updated, assessed in close cooperation between the operator, the suppliers, and third party organisations. Greater transparency and cooperation improves credibility.
Case example: NEPCon’s LegalSource & RADIX Tree Partnership

Combining RADIX Tree’s supply chain data management with LegalSource’s industry expertise for complete EUTR compliance solution

GTS and Nepcon’s advisors help set up the RADIX Tree account, preparing product information, inviting suppliers on board, sharing products with suppliers.

Validation rules are tailored to verify the availability and accuracy of the due diligence data received.
The LegalSource advisor has access to the operator’s account to monitor the data, risk assess the products and follow up with suppliers. Changes to the data are logged and can be tracked.
Limitations/Challenges

All companies and their systems are a little bit different.
Solution:
• Listen. Adapt and stay flexible, share lessons learned.

The data quality largely depends on the persons responsible entering it
Solution:
• A person is educated and dedicated (time and ressources!) to administer the account and information and keep it updated. Can be internal/external.

Lack of knowledge, education, IT literacy of users
Solution:
• Provide more support, train slowly, take advantage of different means of data entry.

The system is “only” a puzzle piece in the full due diligence process.
Solution:
• Make it very clear that due diligence is not only data gathering and assessing. Consequences need to be drawn.

Difficulty in building up full supply chains
Solution:
• Roll out of full supply chains step by step, build trust, simplify.
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