

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

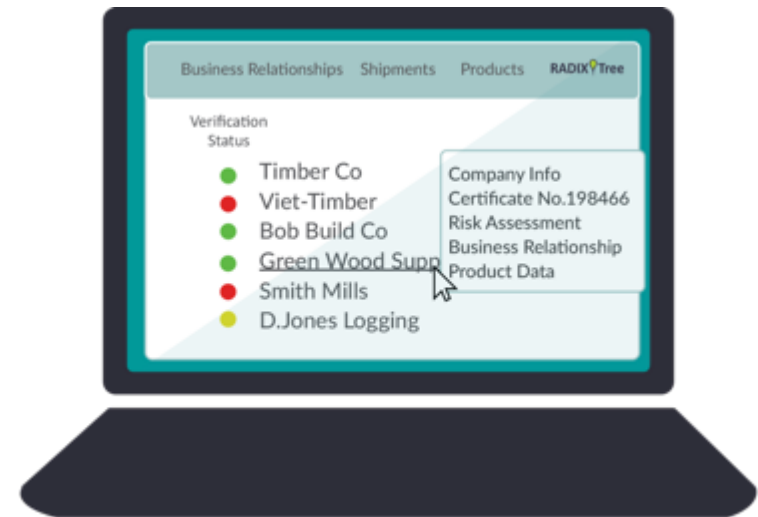
RADIX Tree

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



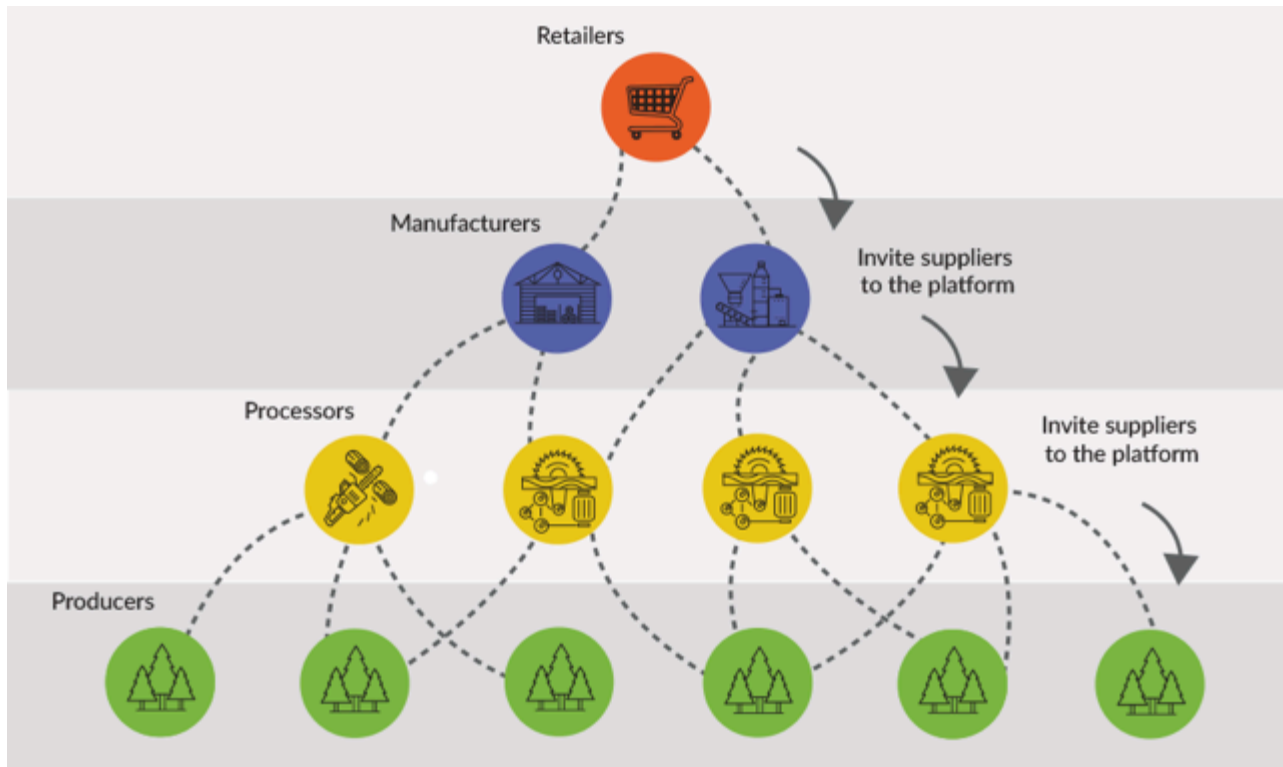
Expertise

- 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,

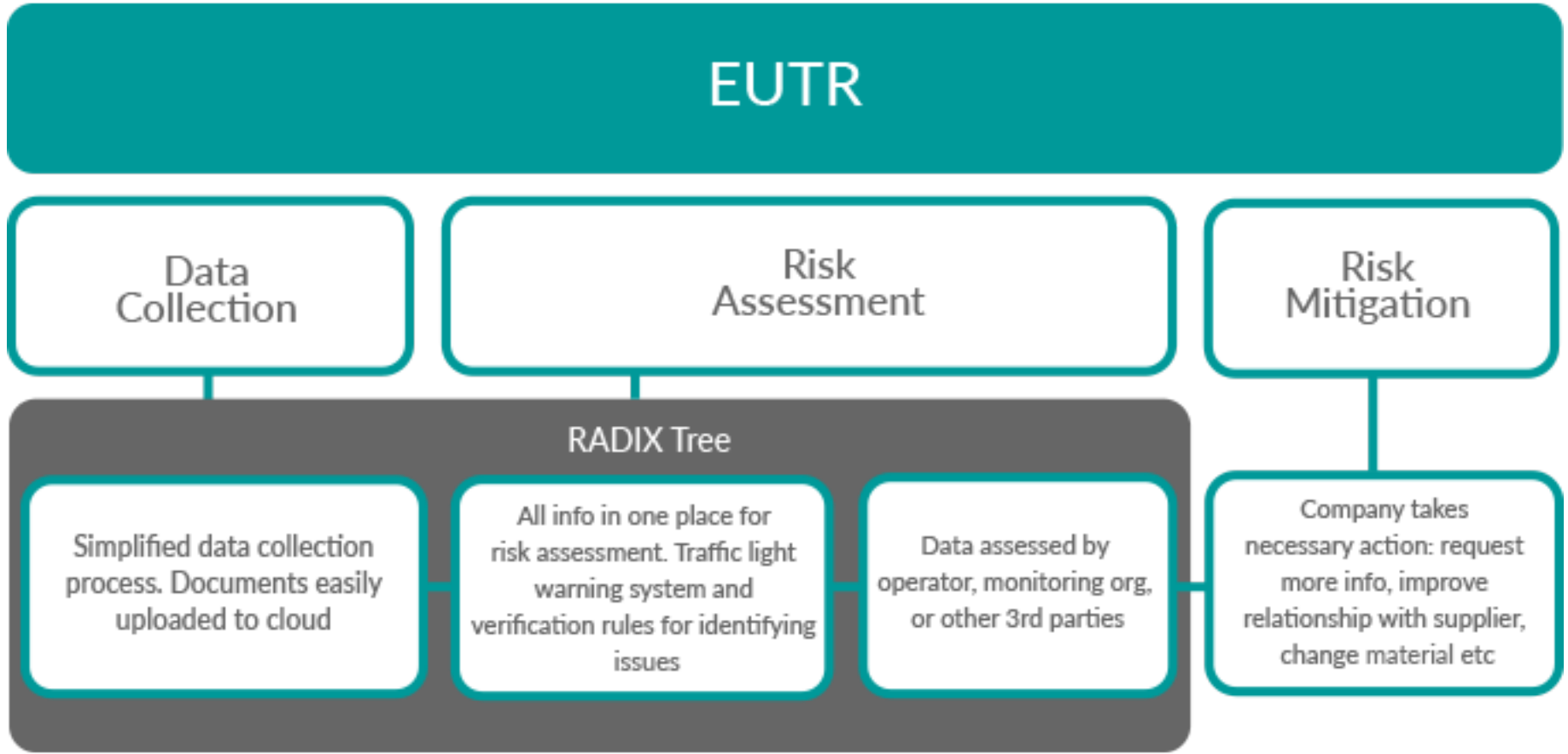


How it works – roll out process



A social network between supply chain partners

RADIX Tree and EUTR Due Diligence



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

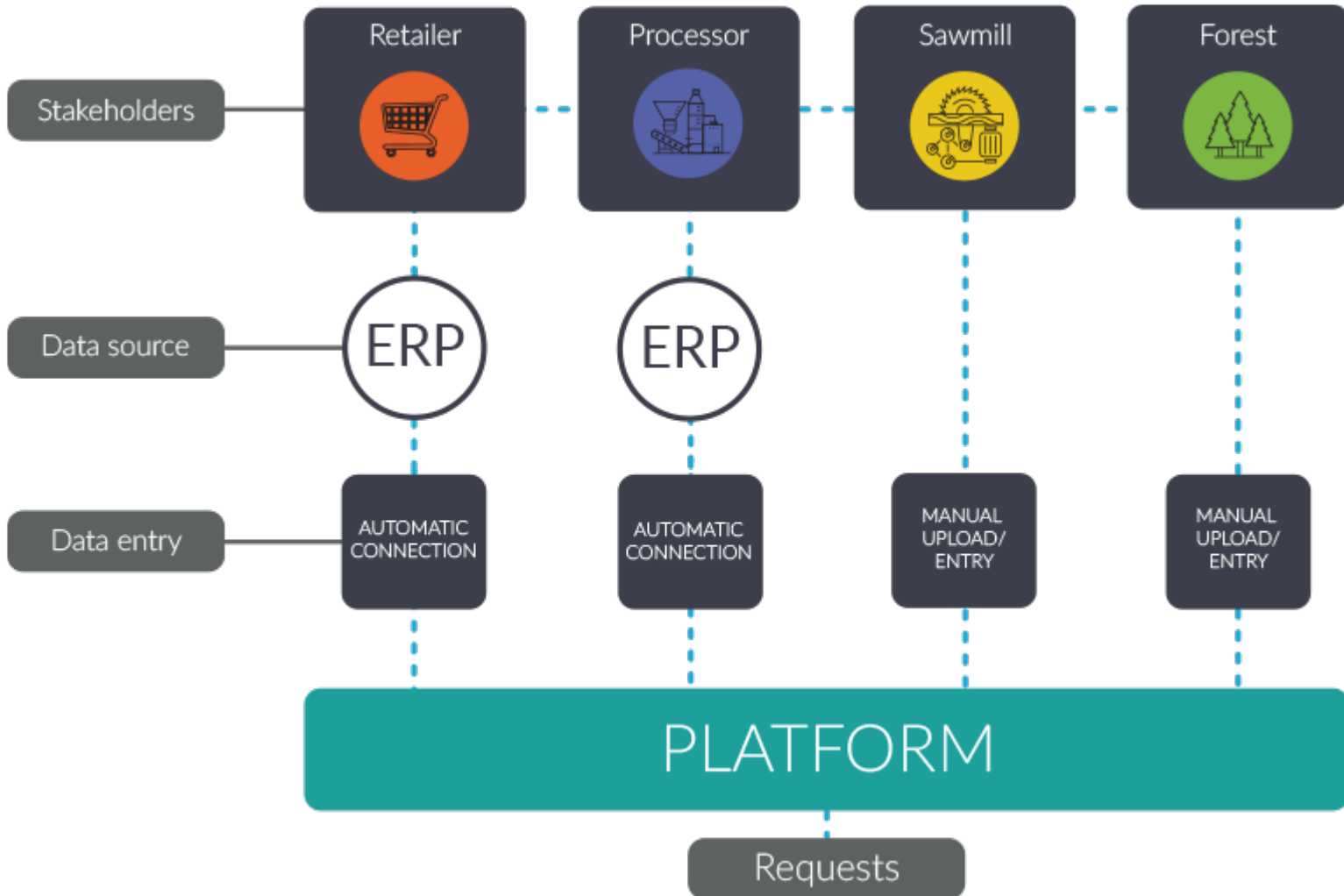


User can now view all due diligence data from their suppliers in one place

Multiple methods of data entry:

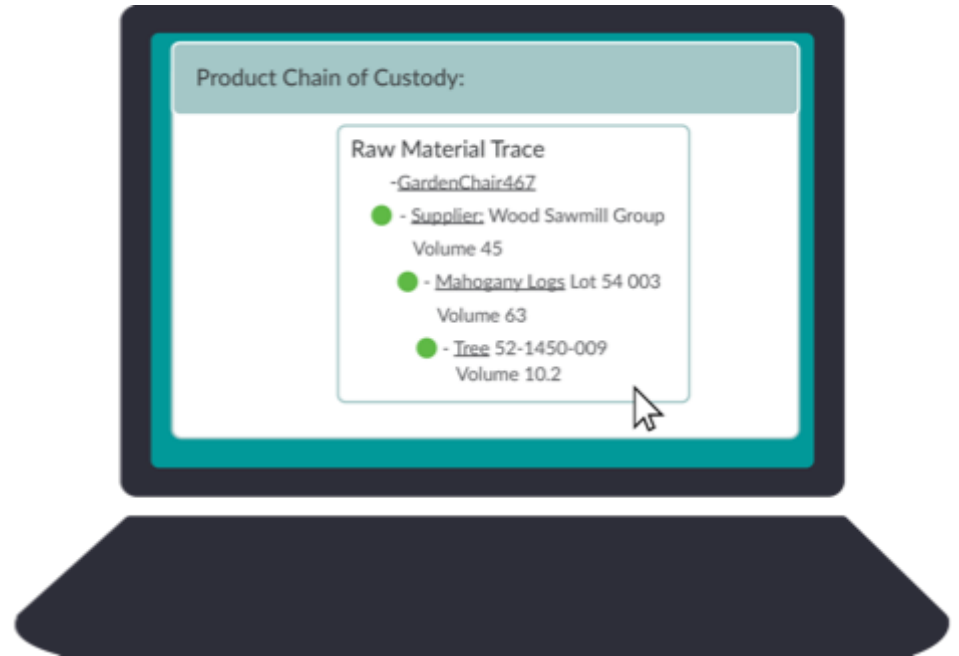
online, excel, standby connections with ERP systems, apps
(See next slide)

Methods of Data Entry



Track and Trace

- Check plausibility of the product's the chain of custody
- Identify source of raw material



Traffic Light Warning System



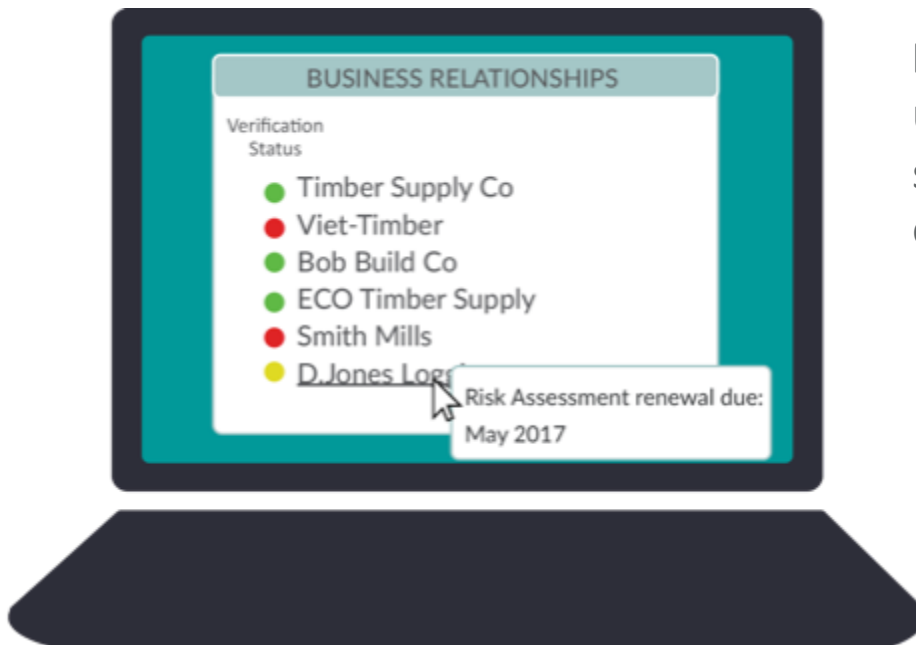
Red and yellow lights alert users on the availability and validity of the due diligence data.

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.



Advantages for authorities

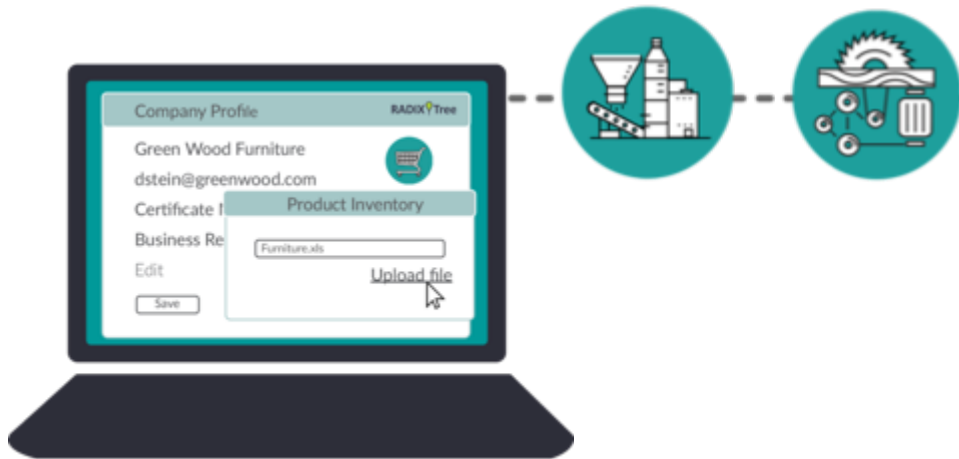


The data is provided, updated, assessed in close cooperation between the operator, the suppliers, and third party organisations.

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 Nepron'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.

NEPCon's LegalSource & RADIX Tree Partnership



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 resources!) 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.

Contact

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