

RADIX Tree & LegalSource

New integrated due diligence solution from NEPCon and Global Traceability Solutions

Combining supply chain data management with industry expertise
for a one-stop solution to EUTR compliance and sustainable timber
sourcing

Supply chain and due diligence solution

GTS and NEPCon now offer an integrated solution that supports your implementation of EU Timber Regulation and your own legality and sustainability policies.

The solution combines two tools, GTS's RADIX Tree – an online platform that enables the sharing of sustainability data along supply chains – and NEPCon's LegalSource – a tailored due diligence service that assists the development and improvement of due diligence systems and procedures.

By combining both the technical platform and legal expertise, your company is provided with the system to trace your timber supply chain and the highest standard of support to mitigate risk.

Who are we?

Global Traceability Solutions are the providers of RADIX Tree, an online platform that enables businesses and organisations to share and record data with their network of suppliers and clients. GTS works with industry leading companies to accurately map their supply chains, retrieve sustainability data and trace products back to source.

www.global-traceability.com

NEPCon are formally recognised by the European Commission as an EUTR Monitoring Organisation, based on their EUTR-compliant due diligence system and competencies. The LegalSource system is applied by a number of large companies in the EU and globally including retailers, timber traders and manufacturers.

www.nepcon.net

With years of experience in the industry, NEPCon and GTS joined together because we see value in a service that provides both the due diligence system and the information management platform needs of companies.

EUTR-related information gathering, risk assessment and mitigation are challenging tasks. The RADIX Tree & LegalSource service is a one-stop solution to meet the core due diligence obligations in a cost-efficient way.



EUTR requirements

Information: The Operator* must have access to information on product type and trade name, timber species, origin of harvest, quantity, supplier and buyer details, and compliance with the applicable legislation.

Risk assessments: The Operator must assess the risk of illegal timber in their supply chain, taking into account criteria set out in the regulation.

Risk mitigation: Any risk of illegal timber in the supply chain must be minimised. This may be done for instance by requiring additional information or verification from the supplier.

*In the EUTR, an EU Operator is defined as a company placing any of the timber products listed in the EUTR Annex A on the EU Market for the first time.

For more information on EUTR compliance visit www.nepcon.net/legalsource

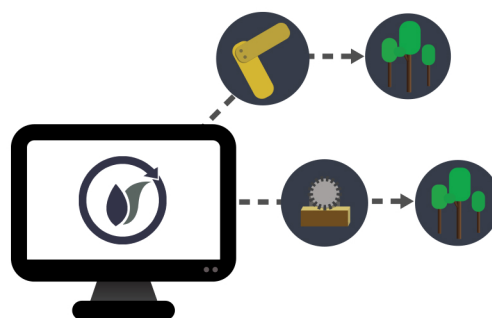
How the service works

Streamlined information gathering and expert risk assessment

GTS delivers the technical expertise by providing the online data management and evaluation solution involving all necessary stakeholders in the due diligence process. NEPCon's LegalSource services include evaluation of information integrity, risk assessment and risk management. Throughout the service your primary point of contact will be your NEPCon advisor.

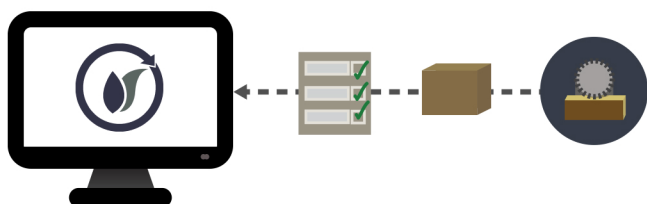
1. Setting up your RADIX Tree account

First we set up your company's account on RADIX Tree. The web-based platform works much like a social network by connecting your suppliers as Business Relationships. Your suppliers repeat the process and connect with their own suppliers, mapping the supply chain, enabling you to record all the necessary information and documentation.



2. Tailoring the system to track your products' supply chain

Rules set up on the platform are used to validate the availability and accuracy of the information provided by your suppliers. For example, a retailer may require the tree species and country of origin of all timber products for each shipment.



3. Receiving and responding to alerts

If the data input is inadequate, the system alerts you. Combined with a traffic light warning system, the RADIX Tree empowers you to react and respond appropriately in a targeted, time and cost-efficient manner.



All information and documentation is collected in one place, available for the evaluation of the risks and the initiation of risk mitigation processes when needed.

Risk assessment

As part of the LegalSource service, you are assigned an expert to help tailor the system to your requirements. They are granted viewing access to your RADIX Tree account to monitor data shared by your supply chain.

NEPCon also provides the following assistance as part of the service:

- Support to refining alerts to cover specific challenges that you are facing.
- Review of alerts, risk screening and recommendations for follow-up actions.
- NEPCon's LegalSource team may also take care of follow-up actions. This may range from gathering of further information to supplier verification in the field. Such additional LegalSource assistance is optional and will typically be agreed on an ad-hoc basis

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