Benefits of Traceability

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Problem

• Equivalent of €5 billion of wood raw material is going to waste in Europe. The major reason is that information regarding the raw material is not available throughout the system.

• The forestry wood supply chain consists of many production steps. Accurate data is collected during every production step but most of it is lost later in the supply chain.
Solution

• Trace the complete supply chain

• Use RFID technology and standards to track the products

• Develop Software modules integrate the different steps of the supply chain and enables the analysis and usage of the traceability data

• Use accurate real-time data to improve yield, logistics, and to reduce waste and environmental impacts
Benefits of Tracing

• Improved utilization of forest and energy resources → reduced waste and emissions (25 million m³ – €5 billion waste annually)
  • Improved sawmill production efficiency
  • Reduced loss of timber, higher value

• Improved management of the whole wood supply chain (logistics of stakeholders, transportation)
  • Chain-Of-Custody reports
  • Environmentally measured timber
  • Control of overly long storage periods to reduce the quality loss
  • The origin of wood (on a board level) can be traced

• Make active use of the variability of wood material instead of only accommodating to it
Benefits of Tracing Standards

• Global sharing of product information on agreed standards – obtain and share product information from the complete the supply chain with trading partners

• Assess economical, environmental and quality performance of the supply chain based on actual flow of physical products

• EPCIS and EDI: EPCIS is a standard for sharing high volume, very fine grain information about material movement and status among co-operating partners

• EPCglobal is leading the development of industry-driven standards for the Electronic Product Code™ (EPC) to support the use of Radio Frequency Identification (RFID) in today’s fast-moving, information rich, trading networks.
## Traceability & Sustainable development: Opportunity

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**Challenge:**
- to ensure compliance with norms becomes an opportunity for innovation
- to increase efficiencies throughout the value chain
- to develop sustainable offerings or redesign existing ones to become sustainable/eco-friendly
- to find novel ways of delivering and capturing value, which will change the basis of competition
- to question through the sustainability lens the dominant logic behind business today

*Source: Nidumolu et al, "Why Sustainability is now the key driver of innovation", HBR, Sept. 2009, pp. 55-64*
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