

Helveta technology supporting responsible Indonesia/USA forest trade

Oxford, United Kingdom, 6th October, 2008: Helveta Ltd. announced today the commencement of a project to monitor timber flows from Indonesia to markets in the United States of America. The project utilizes Helveta's CI World™ technology to track timber flows in Indonesia from the standing tree in the forest, through wood processing plant and export to clients in the US.

The project forms part of an overall Verification of Legal Origin (VLO) project that the Tropical Forest Trust (TFT) is implementing for The Nature Conservancy (TNC) under the Responsible Asia Forestry and Trade (RAFT) initiative. Through the VLO project, TFT is working with a number of forest and factory enterprises to guide them towards meeting Smartwood's Standard for Verifying Legal Origin. Once the enterprises are prepared, Smartwood, as independent auditors, will be requested to conduct 3rd party assessments.

The project will demonstrate linkages between businesses in Indonesia and the US and provide tangible verification to both timber producers and consumers that the products in question are of legal origin. Moreover the proposal supports the US-Indonesian MOU to combat illegal logging and associated trade. US Trade Representative Office funding has been channelled through the USAID Regional Development Mission-Asia based in Bangkok to the RAFT Program, who has made it available to support legal verification activities in Indonesia.

Helveta will deploy an information system overlay to the existing traceability processes TFT has worked to establish within a specific Indonesian supply chain. Through the deployment, Helveta, TFT and local partners will demonstrate how this solution can provide additional evidence to ensure the origin of legally verified wood products.

Helveta's involvement in the project will encompass operations in a community forest in a district of Southern Central Java, where Mahogany is harvested by a local cooperative in order to generate revenues that are extremely important to the livelihood of the villagers. Guided by existing processes and Indonesian forestry law, Helveta will provide monitoring of the supply chain related to the community forest to assist in the daily operations of extraction and transportation of mahogany logs, thus insuring traceability and transparency for supply chain partners and auditors.

Wood is transported from the community forests to a sawmill and after inspection, logs are manually transferred to a separate area of the facility where sawmill workers process the logs into sawn timber. Once the sawn timber is produced, it is stacked and stored in the sawmill's warehouse. After drying, sawn timber is then issued to a sub-contractor hired by the mill to manufacture components. From there, components are passed on to craftsmen that assemble them into finished goods. In the case of the community forest raw material, all sawn timber is transformed into a single model of chairs for export to a retail operation in the United States.



Helveta's CI World™ asset tracking and supply chain management solution will be used to monitor the movement of wood through the supply chain, observing all changes in the asset status from tree to log, log to sawn timber, sawn timber to components, and components to finished product and consistently reconcile data gathered between each of the control points, checking for errors and issuing intelligent alerts notifying users to investigate and correct any discrepancies detected.

Ben Jarvis, from **The Nature Conservancy** commented:

“With the recent passing of the Lacey Act in the USA and increasing demands for corporate social responsibility, US businesses will increasingly need to take charge of their wood supply chains and prove, at a minimum, that they are procuring wood from legal origins. This pilot between Indonesian and US businesses is an exciting opportunity for RAFT, in partnership with The Tropical Forest Trust and Helveta Ltd, to demonstrate some of the options available to the private sector to meet Lacey Act requirements, increase demand for wood products from verified legal origin, and provide traceability and tailored visibility on such wood supply chains. A successful pilot could have a significant impact on the future trade in tropical hardwood products destined for the US market.”

Martin de la Serna, Helveta's Vice President of Sales & Marketing remarked

“This is an important initiative to demonstrate how end to end supply chain control can demonstrate verified legal origin for timber products. Through passage of the Lacey Act Amendment, the United States set a framework for enforcement of legality requirements for timber imports. Thus the RAFT pilot is very timely and highly relevant given the growing requirement for verified legal origin timber in not only the US but other global timber markets. Helveta is pleased to support The Nature Conservancy and The Tropical Forest Trust in the implementation of this project.”

About the *Responsible Asia Forestry & Trade* [RAFT] program:

The RAFT program was developed by TNC together with USAID Regional Development Mission for Asia (RDMA) and key implementation partners including WWF, Tropical Forest Trust (TFT), Tropical Forest Foundation (TFF) and Regional Community Forestry Training Center (RECOFTC). RAFT focuses on promoting responsible timber trade and sustainable management of forest resources and biodiversity at a regional scale. It accomplishes this through partnerships involving non-governmental environmental organizations, private sector companies, government agencies and multilateral organizations working in six target countries - Indonesia, Malaysia, Vietnam, Cambodia, Lao PDR and Papua New Guinea – and their key trading partners. The initiative aims to increase regional timber trade from legal sources, improve the sustainability of forest management on the ground, strengthen regional cooperation on forest management and trade and contribute towards climate change abatement by reducing CO2 emissions from forest loss and degradation and enhancing regional capacity for sustainable forest management through the emerging international REDD framework.

About Helveta Limited:

Helveta is a leader in supply chain and process management software for the Timber and Food sectors. Anywhere that extended supply chains require back to source traceability or chain of custody control in challenging environments, Helveta's suite of enterprise class applications, CI



World™, is the platform of choice. CI World and its four component modules - TracElite™ Chain of Custody, CI Earth™ Mapping, Document Manager, and Performance Manger - can be implemented separately, sequentially, or simultaneously, permitting the scalability and flexibility that customers need. Helveta customers can choose to implement CI World through Helveta's Software as a Service (SaaS) model, as a locally installed platform, or as a gradual evolution from SaaS to installed. Helveta has deployed CI World solutions in Liberia, Nigeria, Cameroon, Republic of Congo, Malaysia, Indonesia, Bolivia and throughout Europe. (www.helveta.com)