

Holzindustrie Schweighofer welcomes statement from Romanian Minister Palmer

The Company makes it very clear: it only processes legal wood and has always acted in compliance with the law.

Vienna – 21.03.2016: Holzindustrie Schweighofer welcomes the statement made by the Romanian Environment Minister, Cristiana Pasca Palmer, in the Austrian magazine "profil" (<http://www.profil.at/wirtschaft/schweighofer-vorwuerfe-interview-rumaeniens-umweltministerin-6276474>): "Any company that respects environmental standards and contributes to Romania's sustainable development is more than welcome here."

"We fully support the Minister's approach to stimulating investment in a way that is helpful to the Romanian people. Holzindustrie Schweighofer takes exactly the same approach:

So far we have invested nearly 800 million euros in Romania and created around 3,000 jobs in our factories, many of these in areas with poor infrastructure. Thus the whole of Rumania benefits from our Company's engagement. We not only comply with the Romanian environmental standards but set new standards, which could serve as an example to the entire wood industry," says Georg Erlacher of Holzindustrie Schweighofer.

Holzindustrie Schweighofer has always acted in compliance with the law. Clearly there never were any dummy companies. Last year alone, the Romanian authorities conducted many special audits and checks. The outcome: there were no sustainable objections. Moreover, the independent certifying body Quality Austria confirmed that the overarching FSC® CoC (Forest Stewardship Council® Chain of Custody) standard had complied with in full. In this way, Holzindustrie Schweighofer makes sure that it does not process any wood from dubious sources. All suppliers are carefully checked to establish the origin of the wood they supply (see <http://bit.ly/1owNjgX>).

Report not passed on to Holzindustrie Schweighofer

As mentioned in "profil" – a report was, in fact, drawn up following inspections by the Environment Ministry and sent to the State Prosecutor's Office in accordance with Romanian legal procedure. This was the planned standard procedure. However, this report was never passed on to Holzindustrie Schweighofer, so that the Company is unable to comment on it.

Formal errors rather than illegal wood

However, it is true that the Romanian authorities discovered formal errors relating to approximately 9,400 m³ of wood during an inspection conducted in Rădăuți sawmill. This quantity represents 0.9% of the quantity of wood processed during the period of the inspection. However, these errors are of a purely formal nature and have nothing at all to do with illegally sourced wood. Rather, they are formal errors associated with data processing and reporting deadlines. For example, there were transcription errors or digits were omitted from multiple-digit codes or else consignments of wood were delayed because snow made the forest tracks impassable. All the details can be found on page 13 of this report: <http://bit.ly/216zYla>.

Counter-report shows that accusations are false

Over the past few months, Holzindustrie Schweighofer has been the victim of a massive campaign based on completely false accusations made by the US organisation EIA. A close examination and review of the contents of the EIA report reveals that none of the accusations made against the company is true and can be backed up by facts. In response, Holzindustrie Schweighofer published a



comprehensive "counter-report", refuting the accusations made by the EIA by means of additional research, documents, market and legal information, case numbers, extracts from maps, official statistics etc.. This report is available to the public at <http://bit.ly/216zYla>.

Holzindustrie Schweighofer a pioneer

Holzindustrie Schweighofer is the only company within the Romanian wood-processing industry that does not accept any wood from national park buffer zones even though, in principle, it is permitted to fell trees in these areas of national parks. Numerous details about this can be found on page 18: <http://bit.ly/216zYla>.

A further step to ensure sustainable and transparent forestry management is the planned introduction of a mandatory GPS tracking system for imports of wood to Holzindustrie Schweighofer factories.

You will find an overview of Holzindustrie Schweighofer's numerous "social responsibility" projects on the YouTube channel: <https://www.youtube.com/channel/UCQ65GDNR7jNWLKX6Qyw2qyQ>

For further information go to www.schweighofer-initiative.org

About Holzindustrie Schweighofer

Holzindustrie Schweighofer is part of the Schweighofer Group and has its roots in an Austrian family business with more than 400 years of experience in woodworking. Currently, the company is leader in the European wood processing industry and is also active in viscose pulp production, bioenergy production, forestry and real estate.

Holzindustrie Schweighofer opened its first sawmill in Romania in 2003, at Sebes. Currently, the company is running on the local market two further sawmills in Radauti and Reci, an edge glued panel factory in Siret and a blockboard factory in Comanesti, generating about 3,000 people directly in these locations and more than 10,000 in related industries. Starting with October 2015, Schweighofer Group also operates a sawmill in Germany.

Holzindustrie Schweighofer is purchasing only 11% of the volume of wood harvested in Romania each year, the rest of the raw material being ensured from imports. Currently, almost 50% of the wood purchased and used by the company comes from import. This wood is processed in Romania, with local labour force, so it is offered added value and generates significant amounts to the local and state budget as taxes. Moreover, towards the end of 2015, the company has started to import timber from Germany.

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