

Vienna, 31 July 2017

## **Update: Holzindustrie Schweighofer strengthened its commitment to sustainability with new PEFC™ Certification Body**

- Holzindustrie Schweighofer cooperates with Soil Association regarding its PEFC certification
- Certification Body with successful track record in Romania
- Recent Soil Association audit confirms excellent due diligence systems in all Holzindustrie Schweighofer mills
- Holzindustrie Schweighofer regards this step as a further signal of the company's commitment to a transparent and sustainable timber industry in Romania
- Functionality of governmental monitoring systems SUMAL and Inspectorul Padurii is crucial for a transparent and sustainable forest sector in Romania

Holzindustrie Schweighofer is strengthening its commitment to a sustainable and transparent timber industry in Romania by engaging the Soil Association as PEFC Certification Body. The Soil Association has special expertise in Romanian forestry. For Holzindustrie Schweighofer it was therefore a logical step to choose this organization. During the last weeks Soil Association has audited Holzindustrie Schweighofer's due diligence system which was established to only process legally harvested wood, thus helping the country in its fight against illegal logging. The results confirmed the integrity of the systems in place.

Holzindustrie Schweighofer will transparently support Soil Association as new Certification Body in every aspect. The company's commitment is clearly defined: Even if it does not harvest timber, Holzindustrie Schweighofer takes the responsibility to do everything in its means to fight illegal logging and to improve its measures for a sustainable timber industry. In fact, Holzindustrie Schweighofer's due diligence systems exceed by far the requirements of the respective Romanian legislation. Holzindustrie Schweighofer holds a PEFC certificate for all its operations since 2014.

Kevin Jones, Head of Forestry at Soil Association: "Soil Association is committed to achieving integrity in certification schemes and welcomes the opportunity to work with Holzindustrie Schweighofer to bring improvements to their forestry and timber supply chains. Soil Association also looks forward to working with all interested stakeholders to ensure transparency and address any issues raised".

### **Unique in European timber industry**

Holzindustrie Schweighofer's own Timflow system — every truck that supplies the company's mills is equipped with a GPS device that tracks the exact route from the place of loading — has been successfully rolled out in April 2017. With this GPS system, which is also accessible for the public ([www.timflow.com](http://www.timflow.com)), Holzindustrie Schweighofer set new standards in the European timber industry when it comes to tracking the origin of the saw logs. Nevertheless Holzindustrie Schweighofer states that Romania's official monitoring system 'SUMAL' and a fully functional 'Inspectorul Padurii' are crucial instruments for a transparent and sustainable development of the Romanian forest sector.

## EUTR controls confirmed Due Diligence system

Between March 2015 and March 2017 Holzindustrie Schweighofer's Romanian saw mills and panel production sites were subject to eight controls under the European Timber Regulation (EUTR). All confirmed that Holzindustrie Schweighofer's due diligence system complies with the standards laid down by the European Timber Regulation (EUTR).

### Further information

**Sumal:** Romanian governmental wood tracking and registration system

**Inspectorul padurii:** Romanian governmental instrument for transparently displaying and monitoring logging activities in Romania. Its aim is to identify illegal cuts in Romania.

### Soil Association:

Soil Association Certification certifies over 70% of all organic products sold in the UK. Certifying organic food and farming since 1973, and more recently, organic textiles, health and beauty products, the team has built up extensive practical experiences and provides unrivalled support before, during and after certification. It also audits other schemes within catering and forestry, including the Food for Life Catering Mark, and the FSC and PEFC forestry standards internationally, delivering assurances of quality and provenance that industry and consumers can trust. Its Chief Executive is Martin Sawyer and its independent board is chaired by Nick Buckland. To find out more visit [www.soilassociation.org](http://www.soilassociation.org).

### Romania's forests are growing

During the past 15 years, Romania's forests grew by 4,950 km<sup>2</sup>, an area larger than that of all national parks put together (3,200 km<sup>2</sup>). Between the years 2000 and 2015 the country's forested areas increased from 27.7% to 29.8%<sup>1</sup>.

### Holzindustrie Schweighofer's measures for a sustainable forestry industry in Romania

- **Holzindustrie Schweighofer supports the introduction of the FSC standard in Romania by paying a bonus of 10 RON/m<sup>3</sup> (2 €) for FSC-certified saw logs**  
To ensure a sustainable supply chain in Romania that meets the high FSC standards, Holzindustrie Schweighofer pays its suppliers a bonus for FSC-certified logs. Since 2012, HS has paid a total of 5.65m RON (€1.25m) for this FSC-bonus.
- **GPS-tracking – transparency for the supply chain**  
Holzindustrie Schweighofer has implemented a GPS tracking system in Romania (Timflow). This system surpasses all legal requirements by far. Every truck delivering Romanian saw logs to the company's saw mills is equipped with a GPS device, which proves the logs' exact loading place. The results are publicly accessible at [www.timflow.com](http://www.timflow.com).
- **Improved stakeholder consultation**  
During the past two years, Holzindustrie Schweighofer improved and intensified its dialogue with all stakeholders. Holzindustrie Schweighofer is committed to an open and transparent dialogue with NGOs and civil society. We share the aim of securing sustainability in timber processing.
- **Comprehensive audit by the renowned Indufor group**  
In January 2016, Holzindustrie Schweighofer subjected its purchasing processes to an in-depth analysis. The independent Finish consulting firm Indufor examined all processes as well as the supply chain and the mills in Romania. Their conclusion: Holzindustrie Schweighofer's due diligence system surpasses the regulatory requirements by far and complies with the standards laid down by the European Timber Regulation (EUTR) for placing legal wood on the European Single Market.

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<sup>1</sup>World Bank [http://data.worldbank.org/indicator/AG.LND.FRST.K2?locations=RO&order=wbapi\\_data\\_value\\_2015+wbapi\\_data\\_value+wbapi\\_data\\_value-last&sort=desc](http://data.worldbank.org/indicator/AG.LND.FRST.K2?locations=RO&order=wbapi_data_value_2015+wbapi_data_value+wbapi_data_value-last&sort=desc) (based on F.A.O. data)

- **Strict controls for sensitive forest areas**  
Holzindustrie Schweighofer has developed a system for risk minimization based on geographical maps issued by the Romanian Association for Forest Certification which identify regions that are susceptible to unlawful logging. If Holzindustrie Schweighofer buys timber from these regions or from sites that are located in close vicinity to national parks or virgin forests, our employees act with the highest degree of sensitivity by inspecting the most important documents necessary for legal timber harvesting (the authorized document proving the harvested amount “APV”, the waybill (Aviz) and the forest management plan) with maximum attention.
- **Strengthened compliance team**  
A rigorous due diligence process requires an adequate number of trained experts. Holzindustrie Schweighofer doubled its team for compliance and certification during the past months to 16 employees.
- **Exclusion of suppliers who do not comply with Holzindustrie Schweighofer’s purchasing policy**  
If suppliers don’t follow the company’s purchasing policy, they are excluded from the supply chain.
- **Holzindustrie Schweighofer does not accept timber shipments from national parks**  
Holzindustrie Schweighofer implemented a “Zero Timber from National Parks”-Policy in Romania, although the legislation would allow for logging in so called national park buffer zones and in case of sanitary cuttings.
- **Compliance and anti-corruption training**  
For its Romanian employees, especially those working in the area of purchasing, Holzindustrie Schweighofer organizes anti-corruption and compliance trainings on a regular basis.
- **Schweighofer-initiative.org**  
Holzindustrie Schweighofer is committed to a transparent and open public discourse. The website [www.schweighofer-initiative.org](http://www.schweighofer-initiative.org) is part of the company’s contribution towards this discourse and showcases its efforts to improve sustainability.

**Background information:**

The Schweighofer Group has its roots in a traditional Austrian family company with over 400 years of experience in wood processing. Today, the Group is primarily active in the wood processing industry but also in dissolving pulp production, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania, one saw mill in Germany and a dissolving pulp production in Austria. It takes a leading role in the European timber-processing industry, currently employing around 3,700 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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