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## Schweighofer Group quits its Romanian forest investments

- Romanian forest areas sold to Swedish GreenGold Group
- Company remains committed to a sustainable timber industry in Romania

The Schweighofer Group, one of Europe's leading wood processing companies, quits its Romanian forest investments and sells its wholly-owned subsidiary Cascade Empire s.r.l. (Cascade Empire) as well as its forest management unit Ocol Silvic Cascade Empire s.r.l. to the Swedish company GreenGold Group. The contracting parties agreed not to disclose the purchase price and the contract details. Cascade Empire's forest areas amount to 14,283 hectares located in the Romanian regions of Hunedoara, Gorj, Valcea, Prahova, Buzau, Neamt and Suceava.

Cascade Empire acquired the forests in the period between 2003 and 2011 and today employs 19 people, including the staff of the forest management unit – all employees will be taken over by the new owner. The Schweighofer Group continues to support sustainable forestry. Holzindustrie Schweighofer entered the Romanian market in 2003. Today, the company operates three sawmills and two panel factories, employs around 3,100 people and has implemented an action plan for a sustainable timber industry in Romania that goes far beyond all legal requirements. Holzindustrie Schweighofer remains committed to this action plan as well as to continually optimizing its dialogue with NGOs and other stakeholders.

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

- **Holzindustrie Schweighofer pays 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, Holzindustrie Schweighofer has paid a total of 6.4m RON (about €1.4m) 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.
- **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.
- **Afforestation projects**  
In September 2017, Holzindustrie Schweighofer, together with the Romanian Association of Forest Administrators (AFA) and University of Suceava, launched the multi-year afforestation project "Tomorrow's Forest / Pădurea de Mâine". The project targets degraded forest areas of small, private owners and communities. With this large-scale project Holzindustrie Schweighofer wants to contribute to the protection and regeneration of the Romanian forests. Holzindustrie Schweighofer is investing around EUR 1 million in this project, which aims at planting around one million trees until 2024.
- **Open doors policy for NGOs**  
In line with its commitment towards transparent communication, Holzindustrie Schweighofer has implemented an open door policy for NGOs. Interested NGOs are invited to register with the Group's Compliance Department and to sign a standard non-disclosure agreement with regards to the technology used. Thereafter, registered NGOs can enter the company's mills at any time to make unannounced inspections and audits of the entire supply chain.
- **Information on our website [www.schweighofer.at](http://www.schweighofer.at):** Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The website [www.schweighofer.at/en/responsibility](http://www.schweighofer.at/en/responsibility) is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability.

#### About the Schweighofer Group

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, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania and one saw mill in Germany. It takes a leading role in the European timber-processing industry, currently employing around 3,500 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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