

Vienna, 23 May 2018

Holzindustrie Schweighofer presents strengthened “Action Plan for Sustainable Timber Industry in Romania” for public consultation

- **Protection of primeval forests is an explicit concern**
- **Further securing the timber supply chain in Romania – Holzindustrie Schweighofer contributes to the fight against illegal logging in Romania**
- **Public consultation: The company collects feedback on the reinforced action plan until 22 June 2018**

Holzindustrie Schweighofer, one of Europe's leading wood processors, with three sawmills and two wood panel production plants in Romania, presents an [update of its action plan for a sustainable timber industry](#) which was introduced in January 2017. The company is now collecting feedback on the measures in a public consultation process until 22 June 2018. By strengthening the Action Plan, the company is responding to FSC's (Forest Stewardship Council) conditions to take further steps to address the risks associated to its supply chains, by strengthening its Due Diligence and Chain of Custody systems, among many other improvement measures Schweighofer is thus consistently pursuing the path it has taken so far to strengthen a sustainable timber industry in Romania.

Michael Proschek-Hauptmann, responsible for compliance and sustainability at Holzindustrie Schweighofer: "For us, sustainable forestry means continuously optimizing our security architecture to protect the forests. The input of NGOs, business partners and other stakeholders was and is very important to us. Our action plan and the related consultation process are unique in Romania and show that our company sees criticism as an incentive to improve."

The basic principles of this action plan, which goes far beyond Romania's legal requirements, are:

- To ensure as far as possible that only legally harvested wood is being processed. Among other things by means of GPS based traceability of deliveries with the company's own Timflow System (www.timflow.com).
- Zero tolerance for suppliers who cannot prove the legal origin of the wood
- Protection of primeval forests and no supplies from national parks, not even where Romanian legislation allows it.
- Sustainably implemented dialogue with environmental NGOs and other stakeholders with the commitment to continuously improve the security architecture
- Ongoing training of the Schweighofer Compliance Teams
- Implementation of substantial reforestations in cooperation with universities and private forest administrators: planting of around 1 million trees until 2024

The updated Action Plan is now available to all stakeholders and interested parties for one month. "Before we continue with the implementation, we would like to ask our stakeholders again and hope to receive appropriate feedback. Only after the end of this consultation phase will the strengthened Action Plan be finalised and implemented. [Comments](mailto:stakeholder.wien@schweighofer.at) on the draft document can be sent to stakeholder.wien@schweighofer.at by 22 June 2018.

Holzindustrie Schweighofer does not harvest trees itself, but the company would like to make a contribution to the fight against the phenomenon of illegal logging, which is widespread phenomenon in Romania. Holzindustrie Schweighofer has already invested more than EUR 1 million in these measures and will continue to expand them.

Background information

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

- **Holzindustrie Schweighofer pays a bonus of RON 10 /m³ (€ 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.
- **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 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:** Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The website <https://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 3,100 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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