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Holzindustrie Schweighofer enhances its commitment to sustainability with new Environmental Policy

Holzindustrie Schweighofer, one Europe's leading wood processing companies, has implemented a new [environmental policy](#).

By launching this new internal guideline, the company commits to pursuing ambitious environmental management goals. Respect for the environment, one of the company's core principles, shall thus be further strengthened as an integral aspect of our economic activity.

The revised environmental policy comprises the following goals:

- a target of buying exclusively certified wood material by 2025 and publicly reporting progress against this target annually (sourcing policy);
- full compliance with national and international environmental requirements with the objective of exceeding the requirements, thus moving towards a higher level of environmental protection;
- contributing to protecting biodiversity and actively engaging in forest restoration actions;
- a target of a 30% reduction in electrical and thermal energy by 2025;
- a target of a 25% reduction in CO₂ emissions by 2025;
- minimizing the volume of waste generated by our operations;
- maximizing the re-use of waste;
- ensuring the most environmentally friendly treatment and disposal of each type of waste;
- intensifying dialogue with stakeholders and employees to ensure and achieve our environmental objectives and goals through continuous improvement.

Ambitious goals for climate protection and energy efficiency

Michael Proschek-Hauptmann, Head of Sustainability and Compliance at Holzindustrie Schweighofer: "We have decided on very ambitious targets, especially concerning the fields of climate protection and energy efficiency, because our mills are already equipped with state of the art technology. The new environmental policy should also have a strong internal effect and should motivate our employees to act in line with the goals we have defined. In addition to measures that can be implemented relatively quickly such as the increased use of energy-saving LED lamps or the use of electric forklifts in the medium- to long-run, we will also focus on the optimization of internal processes. These measures will be complimented by special trainings and awareness raising initiatives for our employees."

Holzindustrie Schweighofer has been successfully using GPS technology to secure its supply chain for more than a year now (www.timflow.com). "We now also want to make greater use of GPS technology for our internal procedures to further improve the logistics within the mills. This will enable us to significantly reduce the fuel consumption of our fleet as is already the case in our mills in Kodersdorf and Radauti, where this technology has already been implemented", says Michael Proschek-Hauptmann.

To achieve the stipulated goals, the company aims to implement fully certified environmental management systems (according to ISO[®]14001:2015) for all plants by 2022 at the latest. The new environmental policy will be reviewed annually and its progress of implementation will be publicly reported each year.

Comprehensive action plan for a sustainable timber industry in Romania

Already in January 2017, the company implemented a comprehensive action plan to promote a sustainable timber industry in Romania. The measures in this action plan go far beyond the requirements of the Romanian legislation.

Michael Proschek-Hauptmann: "A sustainably managed forest and an overall intact environment are essential for society as a whole and of course for our company. Through the responsible use of our resource wood we aim to become an integral part of a circular economy and to assume this responsibility even more than in the past."

Background information:

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

- **Holzindustrie Schweighofer pays a bonus of 10 RON/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 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 Măine". 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.html> 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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