

Vienna, 14 November 2018

Holzindustrie Schweighofer publishes its first Sustainability Report

- **Sustainability Report as a result of intensive discussions with stakeholders**
- **Report prepared according to the Global Reporting Initiative standards**
- **Commitment to open and transparent communication**

Holzindustrie Schweighofer, one of Europe's leading wood processors in Europe, presents the first [sustainability report](#) in the company's history. Following the clear objective of demonstrating maximum transparency, the company thus aims at providing a sound basis for further dialogue with environmental groups and decision-makers. The report focuses on the year 2017 and gives an outlook on the current year. With this report, Holzindustrie Schweighofer provides a comprehensive and structured insight into its core business as well as an in-depth explanation of its supply chain's security architecture.

Criticism as a driver for transparency and dialogue

Michael Proschek- Hauptmann, responsible for sustainability and compliance at Holzindustrie Schweighofer: "Sustainability is an essential part of our mission statement. With our Sustainability Report, which we will publish every two years, we want to underline our commitment to transparency and dialogue. We hope to send a clear signal of our commitment and to convey that we see criticism as an engine for greater transparency and dialogue and are thus taking appropriate measures." With this report, the company wants to give an overview of its commitment to a sustainable timber industry, particularly in Romania, its main production location. Mr. Proschek-Hauptmann: "With our security architecture, which has been continuously expanded in recent years to fight illegal timber harvesting in Romania, we by far surpass all legal requirements." According to Mr. Proschek-Hauptmann, the process of improvement is a continuous one and work on the security mechanisms is ongoing. Input from civil society is very much appreciated in this process.

Planting "Tomorrow's Forest"

In addition to providing a detailed description of Holzindustrie Schweighofer's value chain and the company's business environment, the report also describes a new sustainability initiative. "We continue to see our future in a circle economy and want to further expand our position in this area by using our resources as efficiently as possible. We are already using almost 100% of the incoming resources, the largest part of this goes into durable wood products. This actively binds carbon dioxide and contributes to climate protection. With our afforestation project [Tomorrow's Forest](#) we are also pursuing this goal," said Mr. Proschek-Hauptmann.

Proschek-Hauptmann concluded: "For Holzindustrie Schweighofer 2017 was a year of intense debates and critical self-questioning. As a result, we have committed to transparency and dialogue with a clear goal: Doing everything within our ecological and economic means to act as a best-practice example in our field of activity. At the same time, we are continuing our policy of open doors and, of course, also look forward to positive feedback."

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

- **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 sawmills is equipped with a GPS device, which proves the logs' exact loading place. The results are public on www.timflow.com.
- **Holzindustrie Schweighofer does not accept timber 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.
- **Open doors policy for NGOs**
 In line with its commitment towards transparent communication, Holzindustrie Schweighofer has implemented an open door policy for NGOs. After registering with the company's Compliance Department and signing a standard non-disclosure agreement regarding the technologies used, representatives of recognized NGOs can visit our mills unannounced. Our goal is to transparently demonstrate our efforts to ensure a secure supply chain.
- **Regular EUTR controls confirm Holzindustrie Schweighofer's due diligence system**
 Between March 2015 and March 2018 Holzindustrie Schweighofer's Romanian sawmills and panel production sites were subject to 11 controls under the European Timber Regulation (EUTR). All confirmed that Holzindustrie Schweighofer's due diligence system complied with the standards laid down by the European Timber Regulation (EUTR). The EUTR is the legal framework ensuring that only legally harvested timber enters the European Union's market. The core of the 'due diligence' notion is that operators apply a risk management procedure appropriate to minimize the risk of placing illegally harvested timber, or timber products containing illegally harvested timber, on the EU market.
- **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.
- **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 transport document "Aviz" and the forest management plan) with maximum attention.
- **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.
- **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.
- **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 1 million Euros in this project, which aims at planting around one million trees until 2024. More details: www.padureademaine.ro
- **Holzindustrie Schweighofer pays a bonus of 10 lei/m³ (2 Euro) 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.
- **Information on our website www.schweighofer.at:** Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The website 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



Holzindustrie **Schweighofer**

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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