



**HS TIMBER  
GROUP**

# **SUSTAINABILITY**

## **REPORT 2025**

### **Executive Summary**

## **INTRODUCTION**

2025 was a year of significant growth and expansion for HS Timber Group and marked an important milestone in our company's development. With the acquisition of the Latvian wood processing companies Vika Wood and Kurekss, we further strengthened our presence in the Baltic region and thereby enhance the resilience of our raw material supply in an increasingly challenging environment across Central Europe.

Today, more than 3.000 employees contribute to the success of our Group, serving commercial and industrial customers in more than 95 countries. HS Timber Group stands for reliability, industrial expertise, and a long-term commitment to responsible business conduct.

Since 2018, we have voluntarily reported on our sustainability activities and progress. For the third consecutive year, our Sustainability Report has been prepared in furthest alignment with the European Sustainability Reporting Standards (ESRS). It provides a transparent overview of our sustainability performance, highlights key achievements, and presents future targets.

We would like to thank our employees, customers, suppliers and all other stakeholders for their trust, commitment, and partnership. Their contributions are fundamental to our success and inspire us to continuously improve. We welcome open and constructive dialogue and believe that collaboration, learning, and innovation are essential drivers for our progress.

Looking ahead, we remain committed to strengthening our sustainability performance, growing responsibly, and creating lasting value for all our stakeholders.

The following pages summarize the key figures, accomplishments and commitments of our Sustainability Report 2025.

Getting better every day.

Jürgen Bergner, Christian Frühwald, Martin Louda  
**The Management of HS Timber Group**





## CLIMATE CHANGE

At HS Timber Group, we are proud to work with a truly renewable resource at the core of our business: wood. Wood plays a crucial role in climate change mitigation by carbon storage throughout its lifespan and can thereby contribute to a low-carbon economy, if sustainably sourced and used in long-term application.

By using resources efficiently in our products and energy consumption we keep greenhouse gas (GHG) emissions from our operations compared to other manufacturing industries low. With our established GHG emissions reduction targets, we remain committed to addressing climate change also in 2025: increase of GHG emission-free electricity in the purchased electricity mix, further expansion of own renewable energy generation as well as reduction of fossil fuels by efficiency measures and transition of vehicle fleet to full electric vehicles.

In 2025, we could further increase the share of renewable energy sources in our total energy consumption to 92% (91% in 2024), reducing the proportion of fossil sources by 20% (6% of total energy consumption). Major part of this consumed renewable energy remains to be own-produced through our biomass fueled combined heat and power plants (CHPs) and boilers, along with electricity generated in our photovoltaic plants. Biomass used for our CHPs is certified under the Sustainable Resources Verification Scheme (SURE).

HS Timber Group's commitment to environmental protection is embedded in our Environmental Management System (EMS) that promotes recycling, efficient use of resources and waste reduction.

[HS Timber Group Environmental Policy](#)



Key figures, accomplishments and commitments in 2025:

### Renewable Energy Generation

- + 92% of total energy consumption comes from renewable sources
- + 87% share of own-produced renewable energy of total energy consumption
- + 3 production sites are equipped with combined heat and power plants
- + 2 production sites are equipped with photovoltaic panels

### Sustainable Investments

- + 23% of Taxonomy-eligible investments are aligned to climate change mitigation
- + 4,2 million EUR investments for aligned/environmentally sustainable activities
- + ongoing investments in electric forklifts and other electric and hybrid vehicles

### Greenhouse Gas (GHG) Emissions - our commitment

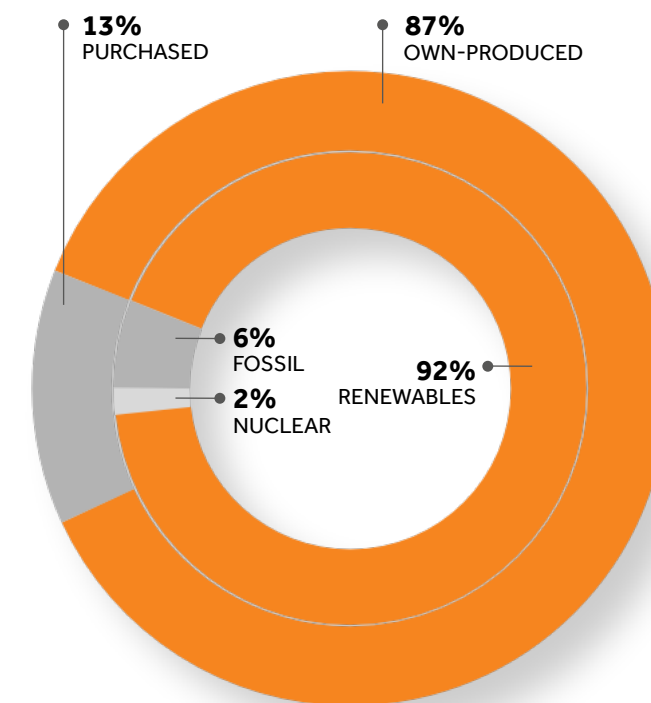
- + Total Greenhouse Gas Emissions Scope 1, 2, 3 calculated for the 3<sup>rd</sup> consecutive year
- + 50% reduction target of GHG emissions related to Scope 1 and 2 by 2030
- + 10% reduction target of GHG emissions related to Scope 3 by 2030

Scope 1: Direct emissions from company-owned or controlled sources

Scope 2: Indirect emissions from purchased electricity (market-based)

Scope 3: Other indirect emissions in the value chain

### ENERGY CONSUMPTION MIX AND SOURCES 2025



**% Shares of total energy consumption**  
% of nuclear sources from purchased electricity mix

Key figures, accomplishments and commitments in 2025

### Full Utilization of Material

- + 100% of processed sawlogs is used ensuring resource efficiency and high value added
- + 100% of by-products are repurposed for further industry use, pellets or bioenergy
- + 100% commitment to cascading use of wood prioritizing long-lasting products

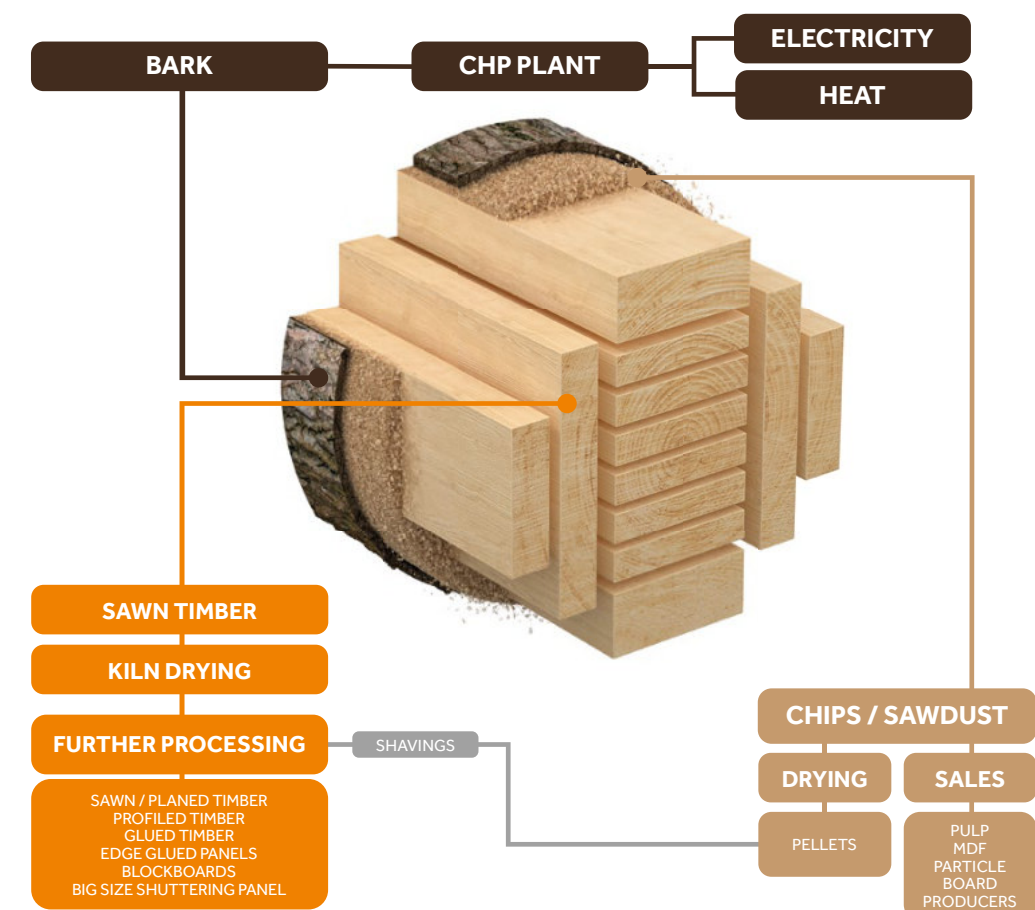
### Circular Economy

- + 77% share of recyclable materials of products sold
- + 1 m<sup>3</sup> wood stores about 1 ton of CO<sub>2</sub> (depending on species)
- + Long-term carbon storage in products used in long-term applications
- + WoodComp3D research project to develop new uses of by-products ongoing
- + About 10 million EUR total research budget, of which approx. 4 million EUR provided by HS Timber Group

### Waste

- + 66% of ash repurposed with continuous exploration of additional ash recovery solutions
- + 25% reduction of total hazardous waste
- + Optimization of packaging material use and continuous waste reduction programs

Typical cutting pattern with products and by-products obtained from a freshly harvested sawlog with bark



## RESOURCE USE AND CIRCULAR ECONOMY

Along with contributing to climate change mitigation, HS Timber Group's primary product wood can play a crucial role in supporting circular economy. It's the core of our business to use this renewable resource, maximize resource efficiency, and enable the reuse, recycling and repurposing of wood products.

We focus on full utilization of processed sawlogs and are committed to the consecutive and cascading use of resources, prioritizing utilization that creates the highest value added in circular economy practices: producing solid wood for long-lasting products, supplying by-products to the pulp and particle board industry for further processing, pellets production, or generation of renewable energy in our own power plants.

Together with our partner, the Technical University of Vienna, we are investing in the large-scale research project **WoodComp3D**, developing a new wood-based material from by-products that could be used in the construction of the future.



## OWN WORKFORCE

Better safe than sorry! This core principle is guiding us to achieve our goal of zero serious accidents. Our Health and Safety Policy establishes the framework for safe work conditions, supported by a health and safety management system that outlines clear rules and procedures to prevent work-related accidents and illnesses.

Our people are our most important asset. In the year 2025 our workforce has grown to more than 3.000 employees and we aim for safe working conditions for all our workforce: employees and non-employees, blue-collar and white-collar, permanent and temporary workers.

To strengthen our health and safety culture we have taken up on a Group coordination for health and safety within 2025, aiming for mutual learning and increasing the effectiveness of preventive and corrective measures.

Our health and safety principles are reinforced in our ongoing improvements to working conditions, provision of safe equipment, regular trainings and clear communication of procedures and expectations.

[HS Timber Group Health and Safety Policy](#)



Key figures, accomplishments and commitments in 2025:

### Our Workforce

- + 3.000 employees at the end of 2025
- + 98% of employees with permanent contracts
- + 81% of employees are blue-collar workers
- + 24% of employees are female

### Health & Safety

- + 100% of our workforce covered by our health and safety management
- + 33% reduction of accidents frequency rate of non-employees
- + 17% reduction of accidents frequency rate of own employees
- + 0 work-related fatalities in 2025



Key figures, accomplishments and commitments in 2025:

### Corporate Culture

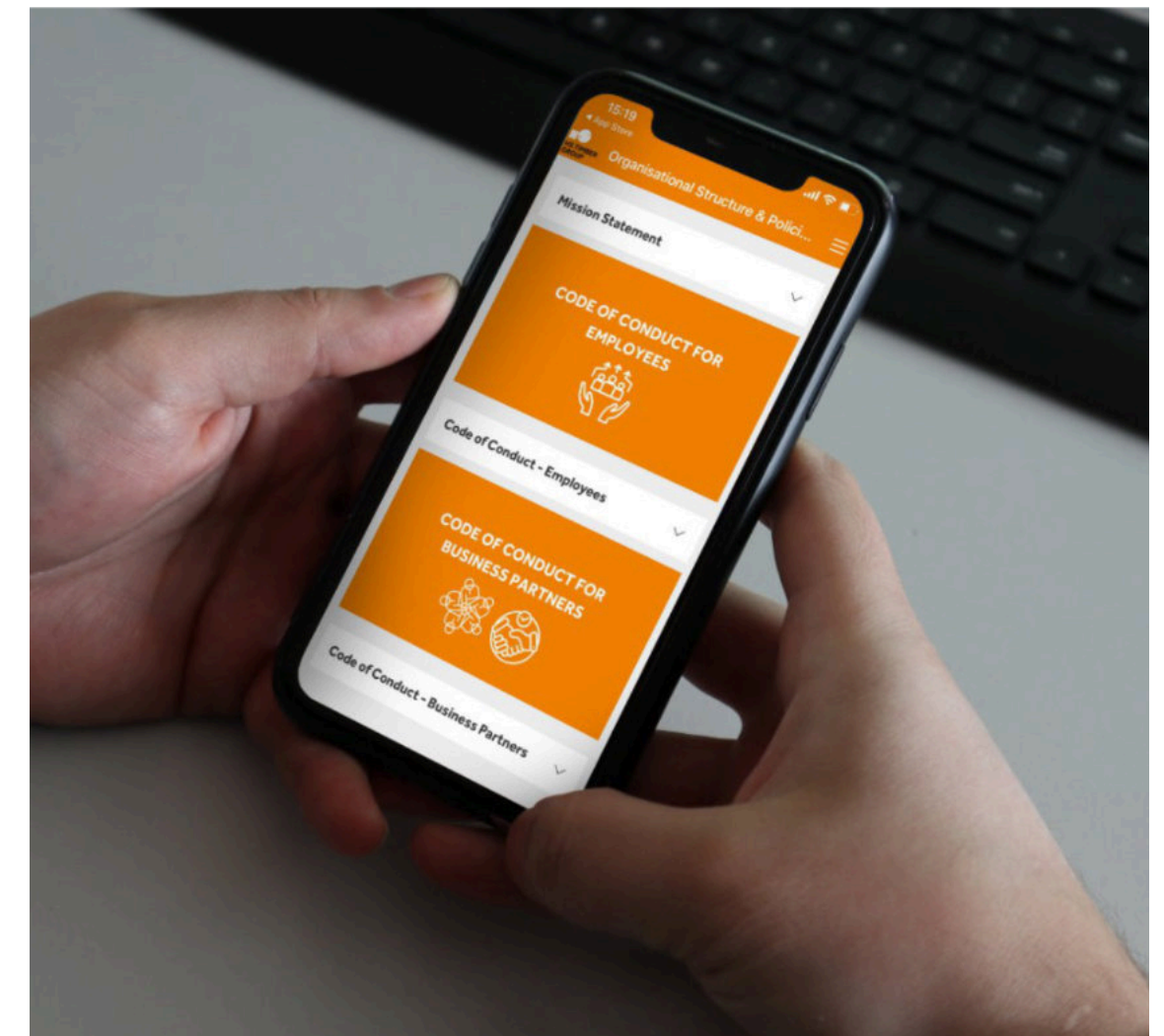
- + 100% of employees accept our Code of Conduct
- + Ethical business practices reinforced in trainings for all employees
- + Zero-tolerance policy on corruption and bribery

### Compliance Management and Anti-Corruption

- + Annual training on anti-corruption for risk-exposed functions
- + Annual compliance risk assessment
- + External whistleblower tool guaranteeing full anonymity and confidentiality

### Management of Relationship with Suppliers

- + Code of Conduct for all business partners
- + Advanced supply chain management and due diligence procedures
- + Short payment terms for roundwood purchases



## BUSINESS CONDUCT

Our commitment to ethical business conduct is incorporated in our Mission Statement and our Code of Conduct for employees – both highlighting respectful interaction and integrity as baseline for our business conduct.

We ensure strong governance through a structured compliance framework: clear guiding principles and internal procedures, internal control system and audit structures as well as mechanisms for the prevention and detection of illicit, unethical or unfair business practices.

We focus on a state-of-the-art due diligence system in supply chain management, risk management, anti-corruption and anti-bribery and creating a culture of integrity and awareness internally and externally.

To promote ethical practices throughout our value chain, we have implemented a Code of Conduct for all Business Partners, including suppliers, customers and other partners. We want to work only with partners who demonstrate due diligence and professional integrity and we take action in case of non-compliance with our principles.

**HS Timber Group Code of Conduct**



## SUSTAINABLE SOURCING PRACTICES AND TRACEABILITY

Sustainable sourcing practices remain a key topic for our Group. For HS Timber Group, sustainable sourcing means applying purchase practices in accordance with our Timber Sourcing Policy and our Due Diligence System (DDS) to all wood input. The processes are designed to ensure legality, identify and mitigate sourcing risks, and support responsible forest management. Over the past years, HS Timber Group has developed and implemented this advanced Due Diligence System for all mills, allowing the company to monitor and manage risks in the supply chain, continuously working to strengthen these systems.

In 2025 we have introduced a new HS Due Diligence System application (HS DDS - <https://public.hsdds.at>), that integrates a new EUDR module and an updated version of the own-developed traceability system Timflow. Since 2017, Timflow has ensured full physical traceability across the Romanian supply chain, setting a benchmark for transparency and accountability in the wood industry. With Timflow, we provide public access to our Romanian roundwood supply chain, enabling external stakeholders to trace and review roundwood deliveries.

Additionally, certifications for sustainable forest management play a key role in our sourcing practices and we remain committed to purchase all our material from certified forests according to PEFC and/or FSC® forest certification schemes by 2030.

[HS Timber Group Timber Sourcing Policy](#)



Key figures, accomplishments and commitments in 2025:

### Due Diligence System

- + HS Due Diligence System application newly introduced including EUDR module
- + 100% of wood material input covered by our Due Diligence System since 2018
- + 100% compliance with Timber Sourcing Policy
- + 550 audits conducted by HS Timber Group's supply chain compliance experts
- + Zero deliveries from national parks in Romania and Ukraine

### Traceability

- + Upgrade of own developed traceability system Timflow now integrated into HS DDS
- + HS DDS platform with new Timflow remains publicly available for external parties
- + 100% of roundwood input in Romania covered by Timflow
- + Roundwood sourced from 14 European countries and Argentina

### Certification

- + PEFC Chain of Custody certification of all production sites managed by the Group
- + FSC® Certification for selected production sites
- + SURE Certification of all mills with combined heat and power plants
- + 100% Sourcing target of timber from forests certified to PEFC and/or FSC® forest certification schemes by 2030
- + 77% of roundwood sourced from certified forests in 2025 and additional sourcing areas in Argentina receiving certification



## REQUEST FULL REPORT

For the full report, please send us a request [by following this link](#).

[www.hs.at](http://www.hs.at)

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