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Holzindustrie Schweighofer launches GPS tracking system “Timflow” for saw log deliveries

Measure is part of the company’s action plan for a sustainable timber supply chain in Romania

- **More transparency for the timber supply chain**
- **All of Holzindustrie Schweighofer’s saw log suppliers’ trucks equipped with a GPS tracking device**
- **GPS data publicly available online: www.timflow.com**

Holzindustrie Schweighofer launches a comprehensive GPS-based monitoring system for saw log deliveries as part of its action plan for a sustainable timber industry in Romania. Following its commitment to fight unlawful logging, the company bases its approach on constructive dialogue with environmental NGOs, transparent communication and an overall enhanced control system for its supply chain. Since the company does not harvest any trees itself, it requires its suppliers to equip all trucks with the GPS system Timflow. This allows tracing of the delivered timber back to its exact loading place, providing for maximum transparency within the supply chain.

The measures laid down in Holzindustrie Schweighofer’s action plan surpass all legal requirements by far and set novel control standards within the timber industry in Romania. Every one of the more than 400 trucks delivering saw logs to the company’s mills is now equipped with a GPS device that tracks its exact route from its loading place to delivery at the mill gate where all information will be thoroughly checked.

To provide for maximum transparency, the datasets for each arriving load will be made available on the website www.timflow.com. Registered users will be able to look up the GPS tracks and pictures of the arrived log trucks. They can also request the timber waybills and documents of origin. Additionally, users will be able to report irregularities or concerns about certain deliveries directly to Holzindustrie Schweighofer’s compliance experts. The company will immediately investigate these findings and will inform the authorities if any irregularities are found.

Additional information on using Timflow

Holzindustrie Schweighofer started the live phase of Timflow in January. The publicly accessible website www.timflow.com will go online on 3 April 2017. During the first month of operation, stakeholder input to optimize the system will be collected. All stakeholders are invited to provide additional input via the Timflow website’s contact form. Information on www.timflow.com can be accessed by registered users. In order to obtain data on truckloads, registered users have to provide the trucks number plate as well as the date of delivery. In order to protect the personal data of the truck drivers, the requested GPS tracks and additional information can only be delivered after a period of 24 hours and the data on truckloads will be publicly available for a maximum of 30 days. Following the legal provisions, the collected data will be saved for a period of five years and can be made available to government entities and Romanian authorities during this time span.

Further information

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

- **Holzindustrie Schweighofer supports the introduction of the FSC standard in Romania by paying 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, HS has paid a total of 4.77m RON (€1.04m) for this FSC-bonus.
- **GPS-tracking – Transparency for the supply chain**

Holzindustrie Schweighofer is currently implementing a GPS tracking system in Romania (Timflow). This system is surpasses all legal requirements by far. Once it is fully rolled out, every truck delivering logs to the company's saw mills will be equipped with a GPS device which proves the logs' exact loading place. The system will go online still in the first quarter of 2017.
- **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 and supports the aim of securing sustainability in timber processing.
- **Comprehensive audit by the renowned Indufor group**

In January 2016, Holzindustrie Schweighofer subjected its internal 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, its 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 plant) 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 from national parks**

Holzindustrie Schweighofer implemented a "Zero Timber Transports 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.
- **Schweighofer-initiative.org**

Holzindustrie Schweighofer is committed to a transparent and open public discourse. The website www.schweighofer-initiative.org is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability.

Background information:

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 but also in dissolving pulp production, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania, one saw mill in Germany and a dissolving pulp production in Austria. It takes a leading role in the European timber-processing industry, currently employing around 3,700 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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