

Independent report: Holzindustrie Schweighofer own controls of origin of timber far exceed statutory requirements

Indufor experts: Comprehensive controls on the part of Holzindustrie Schweighofer ensure legal sourcing of wood

Vienna – 13.04.2016: The renowned international forestry consulting firm Indufor examined the controls (due diligence system) in place at Holzindustrie Schweighofer as part of an independent and voluntary audit. After completing an on-site visit, the experts from Finland were impressed by the comprehensive and meticulous control mechanisms in place at Holzindustrie Schweighofer. "The due diligence system ensures that wood purchased and delivered to the company's mills has appropriate documentation to demonstrate the legality", the Finnish auditors confirmed in their report.

Exceeding legal requirements

The legal requirements were also far exceeded: Holzindustrie Schweighofer examines each supplier prior to the signing of contracts. Logs need to meet the FSC Controlled Wood standard. Holzindustrie Schweighofer is also the only company in the Romanian wood-processing industry which does not acquire any wood from the buffer zones of national parks. Logging is permitted for sanitary use in these areas.

"The renowned experts at the Finnish consulting firm Indufor examined our control mechanisms. And the result: our system far exceeds statutory requirements", says Georg Erlacher from Holzindustrie Schweighofer. "Our comprehensive controls ensure that no wood from questionable sources will ever pass through our gates."

Indufor also evaluated the Romanian state system which governs the legal sourcing and traceability of wood. The consulting firm came to the conclusion that the volumes of wood supplied could not exceed the logging volumes permitted by the authorities as there are automatic checks in place. A database by the name of SUMAL aligns and manages harvesting permits, transportation documents, tracking codes and arrival confirmations in sawmills, etc. Indufor established that this strict regime virtually precludes the possibility of illegal wood making its way into legal deliveries.

Additional due diligence

The comprehensive due diligence system at Holzindustrie Schweighofer supplements the state system. Indufor verified that Holzindustrie Schweighofer takes great effort with regard to these processes and makes considerable resources available.

All suppliers examined

All suppliers of Holzindustrie Schweighofer undergo a stringent risk assessment. Independent checks are carried out for all companies that are not FSC[®]-certified. All supplier need to be able to document the entire supply chain from forest to the factory gates. If a company does not meet the criteria of this audit, Holzindustrie Schweighofer will not sign a contract with this company.

Holzindustrie Schweighofer also carries out on-site audits. Here, companies are examined on site by means of random sampling.

"As a market leader, we see it as our responsibility to set new standards and adopt a role model position for the entire wood-processing industry. Following the positive evaluation from Indufor, we will continue to strengthen our control mechanisms, including by adding more staff," says Erlacher.



Indufor drew up its evaluation report of the due diligence system at Holzindustrie Schweighofer based on a fact-finding mission at the plants in Sebes, Reci and Radauti in January 2016. In addition to carrying out a detailed analysis of the plants, the experts also conducted interviews with suppliers and with state and private forest owners. The analysis was based on the entire supply chain from harvesting of the wood to arrival at the factory gates.

The Indufor report is available for download here: <u>http://bit.ly/23grml1</u>

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