

Bucharest, 9 March, 2017

Holzindustrie Schweighofer continues implementation of a sound action plan for sustainable timber industry

Holzindustrie Schweighofer is committed to taking all possible measures for a private company to reduce at a minimum level the risk of illegally harvested wood to come through its sawmill gate. Although the company does not harvest trees itself - it buys the timber from suppliers who act under the Romanian Law, Holzindustrie Schweighofer is dedicated to eliminating irregularities and illegal logging.

“One of our main concerns is to purchase only legally harvested timber, hence we implemented an enhanced control system to ensure a more sustainable and comprehensible supply chain. In addition, we are currently implementing in Romania a very modern and detailed GPS tracking system for saw log deliveries. Timflow tracks the wood from the place of origin to our sawmills. And all these data will permanently be available to the public,” said Dan Bănac, Holzindustrie Schweighofer Romania general manager.

Holzindustrie Schweighofer presented and is implementing an action plan to secure a sustainable timber industry in Romania. Sustainable and transparent sourcing is one of Holzindustrie Schweighofer’s key principles. Fighting unlawful logging in Romania and the clear commitment to a constructive dialogue with relevant non-governmental organizations and other stakeholders will therefore remain to be Holzindustrie Schweighofer’s primary focus. Transparent communications and an overall enhanced control system are key elements for the improved company policy to ensure a more sustainable and comprehensible supply chain.

Holzindustrie Schweighofer’s Action plan for sustainable wood industry in Romania

- **Holzindustrie Schweighofer supports the introduction of the FSC standard in Romania by paying a bonus of 10 RON/m³ (~2 €/m³) 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 4.77 million RON (€1.04 million) 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 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 place of origin. The system will go online by the end of end of the first quarter of 2017.

- **Improved stakeholder consultation**

During the past two years, Holzindustrie Schweighofer improved and intensified its dialogue with all stakeholders.
- **Comprehensive audit by the renowned Indofur group**

In January 2016, Holzindustrie Schweighofer subjected its internal processes to an in-depth analysis. The independent Finish consulting firm Indofur 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 (see [public report](https://www.schweighofer.at/fileadmin/files/all_en/Press/HS_Indufur_Communication_Report.pdf); https://www.schweighofer.at/fileadmin/files/all_en/Press/HS_Indufur_Communication_Report.pdf)
- **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 increased care by inspecting the most important documents necessary for legal timber harvesting (e.g. the harvesting allowance "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 month Holzindustrie Schweighofer to 16 full-time-equivalents at the moment.
- **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 dialogue. The website www.schweighofer-initiative.org is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability.
- **Open dialogue with NGOs**

Holzindustrie Schweighofer is committed towards an open and matter-of-fact dialogue with NGOs and civil society. The shared objective is to ensure sustainable wood processing and to identify further potential for optimization.

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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