

Press release

A new EIA trailer – what are the facts?

Bucharest, 24 November 2016

Holzindustrie Schweighofer believes that not everything what happens in Romania's forests is bad and wrong although the video recently launched by EIA leaves that impression. Romania has a very advanced controlling system called SUMAL which intends to trace all the activities within the wood industry, from harvesting to processing and to the end user.

Currently – with further improvements of SUMAL about to be implemented – the system guarantees that the volume authorized for harvesting from the respective authorization (APV) must not be exceeded by the volume declared in the following transport paper called AVIZ (a special document connected to every movement of logs). The unique transport code (which has to be written onto the AVIZ) issued by the SUMAL server (hence the Ministry of Environment) is only assigned to the transporter if the volume approved for harvesting was not exceeded (the sum of the volume of all AVIZES for transport for that respective plot does not exceed the volume from that APV). According to the legislation in force, the AVIZ itself does not and has not to contain any GPS coordinates.

Regrettably, the facts mentioned in the 3 minutes trailer from EIA are no new facts and the video does not come up with any solution.

The GPS coordinates are not public information and are not known to the buyer – like Holzindustrie Schweighofer - as EIA correctly mentioned. Therefore, taking the criticism seriously, Holzindustrie Schweighofer took the lead again and has initiated the procedure to collect from each supplier for each APV the GPS data of the according loading points in order to match it with the loading point from its own GPS tracking system.

We do understand that apparently there might be a significant number of malversations connected to logging. One must only read Romanian daily media reports to realize how much illegally harvested wood is confiscated and/or declared as illegal due to improper documentation. Holzindustrie Schweighofer is closely monitoring also these media reports and takes the necessary actions in order to assure that Holzindustrie Schweighofer' supply chain is not affected by any of actions of the named companies or individuals.

It is very tempting and it sounds also very logical for EIA to tell again the story of the "S" Files. We well acknowledge the basic fact that Romanian logging sector still must be improved by means to fight and minimize illegal logging. Holzindustrie Schweighofer is the first processor in the wood

industry implementing a GPS tracking system which allows us to determine and cross-reference the original loading place of wood. We will be able to check at our gates the origin of the delivered logs if coming directly from forests – we are able to cross-check the delivery to the respective APV. This system will be mandatory to all direct deliveries to Holzindustrie Schweighofer mills.

We believe this is an important step in the right direction which underlines Holzindustrie Schweighofer efforts to improve its control systems.

We invited Mr. von Bismarck to evaluate the situation with us and share his knowledge and ideas on how to improve and implement systems which would help to minimize illegal logging and make it easier for buyers (wood processors) to verify the origin and original loading place of the delivered logs.

We are still optimistic that NGO's like EIA – now that they hopefully realize our efforts to improve our chain of custody systems and that we acknowledge deficiencies of the past - will start a constructive dialogue for a change. We believe that together we are much stronger than as individual players.

Communication Department of Holzindustrie Schweighofer