

Wien, 31 March 2017

Update : Holzindustrie Schweighofer enters into a roadmap process towards ending the disassociation with FSC:

- **Memorandum of Understanding defines road map for the next few months**
- **Holzindustrie Schweighofer commits to transparency and an open dialogue with environmental organisations and other stakeholders**

Following the Forest Stewardship Council's (FSC) decision from February 2017 to disassociate from the Schweighofer Group, the company has entered into a dialogue with FSC in the form of a roadmap process towards ending the disassociation. Based on its principles of transparency and openness, Holzindustrie Schweighofer will fully support the FSC experts in their investigation of remaining open questions. Meanwhile, the company has implemented its own GPS tracking system "Timflow" which makes saw log deliveries transparent, all the way from the loading point to the mill gate. About 500 trucks are currently equipped with Timflow.

As a first step of this roadmap process towards ending the disassociation, FSC will, in consultation with the relevant stakeholders establish conditions (and verification indicators) to be fulfilled in order for the disassociation to be ended.

Frank Aigner, Managing Director of Holzindustrie Schweighofer "Our clear aim is to supplement and amend our preliminary plan for corrective action where necessary, which we have already developed and which FSC generally recognized as a good basis for the development of the final action plan. In this process, it is essential for us to consult our stakeholders, the protected areas management authorities, land owners and environmental protection organisations. Based on our preliminary plan for corrective action to secure a sustainable timber industry in Romania, which we presented in January 2017, we are committed towards open and transparent communication."

According to FSC and Holzindustrie Schweighofer, the final timeline of the roadmap process has not yet been fixed. Holzindustrie Schweighofer will in any case do everything it can to demonstrate the effectiveness and adequateness of the company's measures to FSC.

Frank Aigner reiterated the company's commitment to do everything possible to fight unlawful logging in Romania. "We actively take on this responsibility even though we do not harvest any trees. In any case, we will consequently continue our strategy to help protect the Romanian virgin forests, a strategy which is supported by our customers, suppliers and other stakeholders", explained Mr Aigner. "We are 100% committed to the protection of the Romanian natural heritage and we want to better assume our responsibility in the future while continuing to be an active party of the local, sustainable forest industry", said Frank Aigner, Managing Director of the Schweighofer Group.

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 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.
- **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. We share 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 Finnish 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, our 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 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 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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