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Holzindustrie Schweighofer's due diligence system confirmed once more by recent EUTR control

Holzindustrie Schweighofer's sawmill in Radauti was subjected to a control regarding the European Timber Regulation (EUTR) at the end of March 2017. The result: the competent authorities confirmed the effectiveness of the due diligence system in place. Since March 2015, Holzindustrie Schweighofer's Romanian sawmills and panel production sites were subjected to seven controls of this kind – all of which confirmed that the due diligence systems fully complied with the standards laid down by the EUTR.

For Holzindustrie Schweighofer, this positive result represents a clear indication for the effectiveness of its action plan to ensure a sustainable timber supply chain in Romania. The aim of the measures that are currently being rolled out is to effectively fight illegal logging in Romania. Holzindustrie Schweighofer assumes this responsibility despite the fact that the company does not harvest any trees itself.

The "European Timber Regulation" is the legal framework ensuring that only legally harvested timber enters the European Union's market. The core of the stipulated due diligence system is that operators undertake a risk management exercise so as to minimize the risk of placing illegally harvested timber, or timber products containing illegally harvested timber, on the EU market.

During these controls, Holzindustrie Schweighofer's due diligence systems were examined in terms of effectiveness and correctness. In all of the cases, the competent authorities confirmed that Holzindustrie Schweighofer's due diligence system complied with the EUTR and Romania's respective laws and regulations.

The EUTR controls took place at the following sites: Radauti (March and August 2015), Sebes (March 2016), Comanesti (November and December 2016), Reci (November 2016), Radauti (March 2017).

More information about the EUTR can be found on the website of the European Commission: http://ec.europa.eu/environment/forests/timber_regulation.htm

Further information

Holzindustrie Schweighofer's 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 sawmills will be equipped with a GPS device which proves the logs' exact loading place. The system will go online on 3 April 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. 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 sawmill 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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