

Bucharest, 11 July 2017

Update on Holzindustrie Schweighofer's action plan for a sustainable timber industry in Romania

Holzindustrie Schweighofer actively participating in public dialogue

- **Holzindustrie Schweighofer reiterates its commitment to transparent communication**
- **Media representatives already visited Schweighofer's sawmills in Romania on seven occasions this year**
- **Company continues to intensify its transparency: invites NGOs to visit its Romanian mills**
- **Action plan for a sustainable timber industry in Romania is well on track – measures surpass all legal requirements by far**

Holzindustrie Schweighofer continues to successfully roll out its action plan for a sustainable timber industry in Romania. Following the implementation of the company's Timflow-system, a GPS-based monitoring system that allows for transparent tracking of saw log deliveries by truck and strengthened due diligence systems, Holzindustrie Schweighofer further intensifies its transparency measures. The company maintains an open-door policy for interested media and NGO, so as to explain its progress in ensuring a transparent timber supply chain also to a broader public. To date, media representatives from Romania, Germany and Austria visited the Romanian mills on seven occasions in order to obtain a clear picture of the measures that have so far been implemented.

TV team shooting for the German TV station ZDF visits sawmill in Sebes together with Greenpeace representative

On 7 July 2017, a TV team shooting footage for a documentary that will be aired as part of the environmental documentary series "Planet E" on the German TV channel ZDF, visited the sawmill and the further processing plants in Sebes, Romania.

Holzindustrie Schweighofer representatives were interviewed and the entire site, especially the mill gate where timber deliveries are accepted, were filmed. Following the company policy of transparency the employees of the Sebes mill offered detailed information regarding timber deliveries and their origin, processing as well as the due diligence procedures. The TV team was surprisingly accompanied by a representative from Greenpeace Germany. The company is pleased that its offer regarding transparent communication is met with interest by its stakeholders.

Holzindustrie Schweighofer also repeated its invitation towards other NGOs to also visit its Romanian mills so as to experience all transparency measures and procedures on site. The company reiterates its clear commitment to do everything it can to support the Romanian authorities in their fight against illegal logging. Moreover, Holzindustrie Schweighofer continues to enforce its action plan to ensure that only legally harvested wood enters its sites for processing.

Further information

Romania's forests are growing

During the past 15 years, Romania's forests grew by 4,950 km², an area larger than that of all national parks put together (3,200 km²). Between the years 2000 and 2015 the country's forested areas grew from 27.7% to 29.8%¹.

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.

Schweighofer Group

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.

¹ World Bank http://data.worldbank.org/indicator/AG.LND.FRST.K2?locations=RO&order=wbapi_data_value_2015+wbapi_data_value+wbapi_data_value-last&sort=desc (based on F.A.O. data)



Holzindustrie **Schweighofer**

For further information please contact:

Luciana Petrescu

Communications manager

Tel: (+40) 723 205 843

E-mail: luciana.petrescu@schweighofer.ro