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Holzindustrie Schweighofer presents new and stricter Timber Sourcing Policy

Holzindustrie Schweighofer is committed to strengthening a sustainable timber industry in Romania. The company has therefore already established an [action plan](#) to strengthen a sustainable timber industry in Romania in January 2017. The measures of this action plan are going beyond the requirements of the Romanian legislation.

For a wood processing company such as Holzindustrie Schweighofer, supporting sustainable forest management begins with the purchasing decision. Following the principles of the action plan, the company has now updated and significantly tightened its purchasing policy. “Our aim is to better reflect our customers’ needs and answer the concerns of various stakeholders,” says Jürgen Bergner, member of the Management Board of Schweighofer Group.

The new [Timber Sourcing Policy](#) follows a period of discussions with stakeholders and its purpose is to clearly indicate what the core principles of Holzindustrie Schweighofer’s purchasing activities are. It also includes new commitments, especially regarding protected areas such as virgin forests. In 2015 Holzindustrie Schweighofer already introduced a zero timber from National Parks policy. This policy is maintained.

“While partnership and long-term relationships - especially with our suppliers - are crucial for Holzindustrie Schweighofer, the new policy now includes clearer rules for suspending or excluding business relations with partners who do not comply with our requirements for a sustainable timber industry.” Bergner says. This procedure has now been reinforced in order to further mitigate the risk of potential wood supply contrary to the sourcing policy.

A continuous quality evaluation of managed forests is important for supporting sustainable forest management. Holzindustrie Schweighofer is therefore committed to a target of buying exclusively certified material by 2025 and publicly reporting progress against this target annually.

Schweighofer wishes to establish, maintain and intensify dialogue with stakeholders and this will remain to be a major focus. “We appreciate the feedback received from different sides in recent months. To signal our willingness to openly engage with all groups, regardless of their standpoint, we are also publishing a [responsibility statement](#) on the role and moral responsibility of our company related to wood sourcing,” Bergner says.

WWF and Agent Green were some of several stakeholders providing input to our new policy and the accompanying statement on our role and moral responsibility related to wood sourcing. HS wants to prove it has reached a new stage in the discourse on its engagement in Romania, legal and sustainable forest management and trade issues. “We are convinced to encourage other stakeholders to join the initiative towards a sustainable forest industry in the country,” Bergner finally concludes.

Background information

Holzindustrie Schweighofer's measures for a sustainable forestry industry in Romania

- **Holzindustrie Schweighofer pays 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, Holzindustrie Schweighofer has paid a total of 6.4m RON (about €1.4m) for this FSC-bonus.
- **GPS-tracking – transparency for the supply chain**
 Holzindustrie Schweighofer has implemented a GPS tracking system in Romania (Timflow). This system surpasses all legal requirements by far. Every truck delivering Romanian saw logs to the company's saw mills is equipped with a GPS device, which proves the logs' exact loading place. The results are publicly accessible at www.timflow.com.
- **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 purchasing processes to an in-depth analysis. The independent Finish 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 shipments from national parks**
 Holzindustrie Schweighofer implemented a "Zero Timber 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.
- **Afforestation projects**
 In September 2017, Holzindustrie Schweighofer, together with the Romanian Association of Forest Administrators (AFA) and University of Suceava, launched the multi-year afforestation project "Tomorrow's Forest / Pădurea de Măine". The project targets degraded forest areas of small, private owners and communities. With this large-scale project Holzindustrie Schweighofer wants to contribute to the protection and regeneration of the Romanian forests. Holzindustrie Schweighofer is investing around EUR 1 million in this project, which aims at planting around one million trees until 2024.
- **Open doors policy for NGOs**
 In line with its commitment towards transparent communication, Holzindustrie Schweighofer has implemented an open door policy for NGOs. Interested NGOs are invited to register with the Group's Compliance Department and to sign a standard non-disclosure agreement with regards to the technology used. Thereafter, registered NGOs can enter the company's mills at any time to make unannounced inspections and audits of the entire supply chain.
- **Information on our website www.schweighofer.at:** Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The website www.schweighofer.at/en/responsibility is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability.



Holzindustrie **Schweighofer**

About the 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, forest management, bioenergy production and real estate. The industry division of the Schweighofer Group operates three sawmills and two wooden panel productions in Romania and one saw mill in Germany. It takes a leading role in the European timber-processing industry, currently employing around 3,100 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide

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