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## **Holzindustrie Schweighofer's point of view in regards to measurement discrepancies**

- **We strictly respect the rules and regulation in place, in all areas we are active in**
- **Loopholes in the legislation lead to the absurd case where the wood processor has more precise measurement means for the raw materials than the supplier**
- **Holzindustrie Schweighofer offers relevant authorities technological support in modern measurement systems**

Holzindustrie Schweighofer points out that it uses modern laser measurement instruments, approved by the Romanian Standardisation Association and certified by the National Metrology Institute. These instruments offer much more precise results compared to the measurements done manually by the suppliers at the loading point, in the forest. The latter are inexact (but legal) and are recorded in the transport documentation. The measurement discrepancies deriving from the usage of different measurement methods and instruments are normal and fair, as shown by scientific studies and international practice in the sector. As a consequence, Holzindustrie Schweighofer, maintains its opinion that measurement instruments approved by the Romanian Standardisation Association and certified from a metrology point of view are measuring correctly and any deviation cannot be reprimanded.

As a standard procedure, Holzindustrie Schweighofer separates the extra wood volume - resulted after the electronic measurement done in its mills - stores it separately and informs the authorities with regards to the volume it received. This activity alone incurs an extra and irretrievable financial burden for the company, leading to handling expenses outside its usual production process, for goods which are not in its possession and which are not on stock. Moreover, the company informs the Forestry Guard each time it detects such situations.

The logs sold on the wood market are measured at the loading point by the supplier with the use of a calliper, while at the final destination the measurement is done via electronic equipment. As a result of these two measurement methods, there are situations where there are volume differences that are outside the tolerance limits allowed by the regulations in force. The outcome is a wood quantity which is "outside of the system" which, even if it is made known to the authorities, put the company in the absurd situation in which it is penalised.

Holzindustrie Schweighofer supports the authorities in identifying a solution in a move to improve the legislation and the coherence of the measurement systems for wood, when it comes to commercial transactions. The company has implemented a set of measures to support a sustainable wood industry in Romania.

Holzindustrie Schweighofer observes an *open door* policy and is taking a keen interest in the concerns of the civil society. Therefore, we invite any stakeholder to contact us and come visit our mill, to better understand all the measures we implement.

## Holzindustrie Schweighofer's action plan for sustainable wood industry in Romania

- **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 saw logs to the company's sawmills is equipped with a GPS device, which proves the logs' exact loading place. The results are public on [www.timflow.com](http://www.timflow.com).

- **Holzindustrie Schweighofer does not accept wood from national parks**

Holzindustrie Schweighofer implemented a "Zero Wood from National Parks"- Policy in Romania, although the legislation would allow for logging in the so called national park buffer zones.

- **Open doors policy for NGOs**

In line with its commitment towards transparent communication, Holzindustrie Schweighofer has implemented an *open door* policy for NGOs. After registering with the company's Compliance Department and signing a standard non-disclosure agreement regarding the technologies used, representatives of recognized NGOs can visit our mills unannounced. Our goal is to transparently demonstrate our efforts to ensure a secure supply chain.

- **Regular EUTR controls confirm Holzindustrie Schweighofer's due diligence system**

Between March 2015 and March 2018, Holzindustrie Schweighofer's Romanian sawmills and panel factories were subject to 12 controls under the European Timber Regulation (EUTR). All confirmed that Holzindustrie Schweighofer's due diligence system complied with the standards laid down by the European Timber Regulation (EUTR). The EUTR is the legal framework ensuring that only legally harvested wood enters the European Union's market. The core of the 'due diligence' notion is that operators apply a risk management procedure appropriate to minimize the risk of placing illegally harvested wood, or timber products containing illegally harvested wood, on the EU market.

- **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 the civil society. We share the aim of securing sustainability in wood processing.

- **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 identifies regions that are susceptible to unlawful logging. If Holzindustrie Schweighofer buys wood 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 wood harvesting (the authorized document proving the harvested amount - the APV - and the forest management plan) with maximum attention.

- **Compliance and anti-corruption training**

For its Romanian employees, especially for those working in the area of purchasing, Holzindustrie Schweighofer organizes anti-corruption and compliance trainings on a regular basis.

- **Strengthened compliance team**

A rigorous due diligence process requires an adequate number of trained experts. Holzindustrie Schweighofer doubled its compliance and certification team 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.

- **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 Mâine*. 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



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of the Romanian forests. Holzindustrie Schweighofer is investing around 1 million Euro in this project, which aims at planting around one million trees until 2024. More details: [www.padureademaine.ro](http://www.padureademaine.ro)

- **Information on our website:** [www.schweighofer.at](http://www.schweighofer.at)

Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The section [www.schweighofer.at/en/responsibility.html](http://www.schweighofer.at/en/responsibility.html) is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability.

**Pentru mai multe detalii**

**Luciana Petrescu**

Head of Public Relations

[luciana.petrescu@schweighofer.ro](mailto:luciana.petrescu@schweighofer.ro)

Tel. 0725 352 700