

Bucharest, 9 September, 2019

Timflow is named *Product of the Year* at Forest Romania 2019

- **GPS-based wood tracking system Timflow is a unique measure, unprecedented in the European wood industry**
- **Recognition for the efforts to ensure traceability and transparency in wood supply chain**
- **Timflow is named *Product of the year* at Forest Romania 2019**

Timflow – the GPS-based wood tracking system - has been named *Product of the Year* at the third edition of **Forest Romania**, the open air forestry fair that took place in Zizin, Romania between 5-7 September, 2019.

"Timflow is an important element of our Due Diligence system and this award honours us and it is a recognition of the fact that all our efforts to minimise the risk of non-compliant wood in our supply chain have been successful," says Vasile Varvaroi, log purchasing manager with Holzindustrie Schweighofer Romania. "In the future, the Timflow wood traceability system will be developed and we would like other participants in the woodworking industry to use it, as Timflow means security and transparency."

As part of the action plan for a secure and sustainable supply chain, Holzindustrie Schweighofer introduced in April 2017 the Timflow system, monitoring all trucks that deliver logs to the sawmills operated by the group in Romania. Thus, the www.timflow.com platform presents the GPS maps of all truck routes, from the loading point to the factory gate.

Anyone can register and check photos, documents and routes, from the loading point to the destination of all the trucks that transport logs to Holzindustrie Schweighofer, the first company that implemented Timflow for a secure and sustainable supply chain.

The third edition of the open air forestry fair, [Forest Romania](#) brought to the attention of the specialists current topics of debate and proposed as a central theme in 2019 "Sustainable forest management – an active contribution to climate protection".

At this year's edition, the *Product of the Year 2019* competition was launched, awarding innovations that serve as a model in the forestry field. A commission comprising neutral experts awarded products that met the following criteria: practical importance, impact on the activity of the company and on the labour force, effects on the environment and on energy consumption.

Forest Romania is organized by DLG InterMarketing, with the support of Ciucaş R.A. Forest Management Unit in Tărlungeni, in cooperation with the Foresters Association of Romania - A.S.F.O.R., the Association of Forest Administrators of Romania - A.A.P. and the Transylvania

University in Braşov - Faculty of Forestry and Forest Exploitation. The 2019 edition had Romsilva as a technical partner.

Annex: Holzindustrie Schweighofer's action plan for a sustainable and secure wood supply chain

■ **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.

■ **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 April 2019, Holzindustrie Schweighofer's Romanian sawmills and panel factories were subject to 17 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**

Holzindustrie Schweighofer has developed a Due Diligence system strictly based on risk analyzes depending on purchase areas, with a close verification of all documents and on-site checks for all the material that it purchases. We use all available maps and information to ensure that we do not receive timber from National Parks in Romania, while also considering Virgin Forests and UNESCO-listed areas for strict verification. If Holzindustrie Schweighofer receives transports from these areas or from log yards located in the vicinity of national parks or virgin forests, our employees check in the field, or the documents necessary for the legal harvesting of timber (APV, harvesting authorization, maps) to ensure that the wood does not come from such areas. Otherwise, transports are rejected. All these maps, containing the boundaries of National Parks,

UNESCO, Virgin Forests, or possible Virgin Forest (PIN-MATRA), are also integrated into the Timflow system.

- **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**

Holzindustrie Schweighofer and the Tomorrow's Forest Foundation concluded a **strategic partnership** in order to jointly work on the implementation of environmental and social projects promoting responsible development of Romanian forests and benefiting forest based communities in Romania. The Tomorrow's Forest Foundation was set up in 2019 with the strategic help of the Schweighofer Group. The Foundation's mission is to contribute to the protection and the responsible management of forests and the development of a sustainable forest economy in Romania. **Holzindustrie Schweighofer seeks with this strategic partnership to get a more targeted and better implementation of the company's CSR engagement** In September 2017, together with the Association of Forest Administrators and with scientific support from the University of Suceava, a multi-year reforestation project, *Tomorrow's Forest*, was initiated. Focusing on degraded forest land of small private owners and local communities, the project wants to bring added value and security to forests in Romania.

- **Transparent information on our website www.schweighofer.at**

Holzindustrie Schweighofer is committed to a transparent and open public dialogue. The page www.schweighofer.at/en/responsibility.html is part of the company's contribution towards this discourse and showcases its efforts to improve sustainability in wood industry.

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