



*Bucharest, 30 August 2017*

## **Update Holzindustrie Schweighofer: Saw log deliveries now even more transparently traceable for the public**

- GPS-based system Timflow enables even easier public access to data on saw log deliveries to Holzindustrie Schweighofer mills – extended range of data available at [www.timflow.com](http://www.timflow.com)
- Already 660 trucks equipped with the Timflow system

Four months after implementation, Timflow, the GPS monitoring system of saw log transports, has received an important update: users registered on [www.timflow.com](http://www.timflow.com) now have access to all log deliveries by truck to Holzindustrie Schweighofer, simply by selecting the specific date and mill. This update is an unprecedented measure in the Romanian wood industry – no other company offers such a high degree of public transparency.

In April 2017, Holzindustrie Schweighofer implemented Timflow, a GPS-based system to transparently monitor saw log deliveries that is unique in the European timber industry. The system is the core measure of the company's action plan to fight illegal logging in Romania and enables complete monitoring of the transport route, all the way from the loading point to the mill gate. The collected information, including the GPS data and photos of the loads, are publicly available at [www.timflow.com](http://www.timflow.com). The accessibility of the data was now significantly extended by further system developments, thus maximising transparency.

### **Timflow 2.0 makes log deliveries visible for everybody**

Until now, interested persons had to know the delivery date and the truck's licence plate, to view specific data on round wood deliveries. The newest update of Timflow has significantly simplified the process of data retrieval: by simply selecting the mill and date of interest, registered users obtain all data of all trucks that delivered saw logs to the selected mill on the selected date. This offer is absolutely unique in the entire Romanian wood industry.

### **Well accepted by suppliers**

Since 3 April 2017, Holzindustrie Schweighofer obliges all its suppliers to participate in the Timflow system, only very few decided not to participate – they were excluded from the company's supply chain. Currently, 660 trucks are equipped with the GPS device. Every day, an average of 91 deliveries is checked at the gates of Holzindustrie Schweighofer's mills, altogether the controls amount to 7 hours per mill and day. Dan Banacu, General Manager of Holzindustrie Schweighofer Romania is pleased with the implementation of Timflow: "The effort is definitely worthwhile. Ever since its roll-out Timflow has been well accepted by our suppliers. Up to now, not a single delivery had to be rejected; only in very few cases suppliers had to be reminded to improve the quality of the submitted photos of their load."

Overall, rd. EUR 130,000 were invested in the development and implementation of Timflow. Alongside Timflow, which is currently only used by Holzindustrie Schweighofer, the governmental systems SUMAL and Inspectorul Padurii (see background information) of course remain vital for a transparent and sustainable timber industry in Romania.



## Background information

### How does Timflow work?

Timflow is a GPS-based application to monitor the routes of trucks transporting saw logs. Every truck that delivers logs to Holzindustrie Schweighofer in Romania must be equipped with the GPS device. The truck driver is required to take photos of the loaded logs in the forest. Once the truck arrives at the mill, Holzindustrie Schweighofer employees check the transport route via the GPS data and compare the photos with the received load. Irregularities such as non-explainable detours or discrepancies between the photos and the received delivery are immediately investigated and where necessary, the authorities are notified without delay. [www.youtube.com/watch?v=KCSu6gqkVw](http://www.youtube.com/watch?v=KCSu6gqkVw)

**Sumal:** Romanian governmental wood tracking and registration system

**Inspectorul padurii:** Instrument for transparently displaying and monitoring logging activities in Romania as well as the data collected by the SUMAL system. The aim of Inspectorul Padurii is to offer a system for the general public to identify illegal logging activities.

### Romania's forests are growing

During the past 15 years, Romania's forests grew by 4,950 km<sup>2</sup>, an area larger than that of all national parks put together (3,200 km<sup>2</sup>). Between the years 2000 and 2015 the country's forested areas increased from 27.7% to 29.8%<sup>1</sup>.

## 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/m<sup>3</sup> (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 5.65m RON (€1.25m) 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](http://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

<sup>1</sup>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](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)



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.

- **Schweighofer-initiative.org**

Holzindustrie Schweighofer is committed to a transparent and open public discourse. The website [www.schweighofer-initiative.org](http://www.schweighofer-initiative.org) is part of the company’s contribution towards this discourse and showcases its efforts to improve sustainability.

#### **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 3,500 employees. Holzindustrie Schweighofer exports products to over 70 countries worldwide.

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