

Timflow presented at the PEFC™ Stakeholder Dialogue in Helsinki

Holzindustrie Schweighofer informed international participants about the company's achievements to transparently trace its saw log transports in Romania.

On the occasion of the PEFC Stakeholder Dialogue held on 15, and 16, November 2017 in Helsinki, various international experts presented new technologies for smart chain-of-custody tracking. During the session focusing on “Trust and Traceability throughout the Value Chain”, various systems were presented. This included transaction tracking using Blockchain, DNA-based timber tracing, and the Timflow-GPS system, which was implemented by Holzindustrie Schweighofer in Romania in April this year. Timflow's main goal is to monitor the transport routes of saw log trucks, all the way from the loading point to the saw mill gate and to make this information transparently available to the public.

“Trust and Traceability” was the perfect title, since Timflow fulfils both. With Timflow, Holzindustrie Schweighofer collects photos and GPS data of each saw log truck that delivers wood to its mills in Romania. Following its principle of transparent communication, the company makes all collected data publically available online (www.timflow.com), thus maximizing its supply chain transparency.

Simple, secure and transparent

Hannes Plackner, the responsible project manager for Holzindustrie Schweighofer, who presented Timflow in Helsinki stated: “Compared to the other technologies presented in Helsinki, Timflow is a simple system. It merely encompasses a GPS logger built into the truck, a smartphone application for the truck driver, an internal and an external web platform. But what makes it special is its radical level of transparency: since April 2017, we have been publishing the data of every saw log truck that arrived at our Romanian saw mills”.

Pioneering role of Holzindustrie Schweighofer

All 700 trucks that currently deliver saw logs to Holzindustrie Schweighofer are equipped with the Timflow system. During the first six months of operation, these trucks generated more than 20,000 data sets. This level of transparency is well received: Over 3,000 data sets have been accessed so far by interested stakeholders via www.timflow.com.

Holzindustrie Schweighofer pioneered with the implementation of Timflow. “We would be happy, if others followed our example”, Mr. Plackner added. There was great interest in Timflow in Helsinki, even though some participants were surprised that such a system was developed in Romania. But, the PEFC Stakeholder Dialogue proved that this country doesn't need to hide when it comes to sustainable timber harvesting and a well-controlled supply chains.

Further information

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

Romania's forests are growing

During the past 15 years, Romania's forests grew by 4,950 km², an area corresponding to the size of 700,00 soccer fields or twice the size of Luxembourg. 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 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.
- **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.

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¹World 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)