

Vienna, 20 December 2017

Holzindustrie Schweighofer to comment on new FSC® documents

- Holzindustrie Schweighofer will thoroughly analyse the FSC Conditions Framework as part of the roadmap process towards ending its disassociation from FSC
- FSC's second investigation concludes that there is no evidence of further violations of the FSC Policy for Association, specifically in relation to Holzindustrie Schweighofer's timber measurement methods in Romania.
- Holzindustrie Schweighofer continues its unique security architecture in order to ensure and strengthen a sustainable timber industry in Romania.

Holzindustrie Schweighofer takes the opportunity to comment on two documents which have been published by the Forest Stewardship Council (FSC):

Analysis of the FSC Conditions

Today, FSC published the final conditions framework – which is part of its roadmap process towards ending the disassociation with Schweighofer – as approved by the FSC Board of Directors. Holzindustrie Schweighofer will thoroughly review the paper. Until this analysis is complete, it would not be appropriate to comment on its content. Nonetheless, the company has in the past already stated its commitment to FSC, which will enable a constructive roadmap process towards ending the disassociation. Holzindustrie Schweighofer stands committed to do everything in its sphere of influence in order to ensure and strengthen a sustainable timber industry in Romania and to support the authorities in their fight against the phenomenon of illegal logging.

Correct timber measurement methods

The second document published by FSC reflects the outcome of an in-depth investigation by independent experts regarding the question of Holzindustrie Schweighofer's timber measurement system in Romania. The panel did not find any indications of violations of FSC Policy for Association nor evidence of violations by Schweighofer of Romanian legislation and/or regulations in relation to timber measurement and classification.

Unique security architecture for a sustainable timber industry in Romania

Holzindustrie Schweighofer has established a unique security architecture in Romania, consisting of the wood tracking System Timflow with which the route of every truck transporting timber to Schweighofer mills can be transparently shown, enhanced due diligence teams and other measures. Overall, this security architecture by far exceeds the requirements of all applicable Romanian laws. Holzindustrie Schweighofer also maintains and strengthens its dialogue with stakeholders, NGOs and the public in Romania. As a responsible company, Holzindustrie Schweighofer is aware that it has to deliver best practice, not only concerning its business practices, but also in terms of sustainability.

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, HS has paid a total of 5.65m RON (about €1.25m) for this FSC-bonus.
- GPS-tracking – transparency for the supply chain



Holzindustrie Schweighofer

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 Finnish 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.

- **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.

**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

For further information please contact:

Thomas Huemer
Head of Corporate Communications
Tel: +43 1 585 68 62 -24
E-mail: thomas.huemer@schweighofer.at